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PRINCIPAL ... TRAINING CENTRE
4 - OCT 1956
GANDHIGRAM

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REPORT

ON

CURRENCY AND FINANCE

FOR THE YEAR

1954-55

BOMBAY
1955

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Reserve Bank of India

PRINCIPAL, EXTENSION TRAINING CENTRE
GANDHIGRAM
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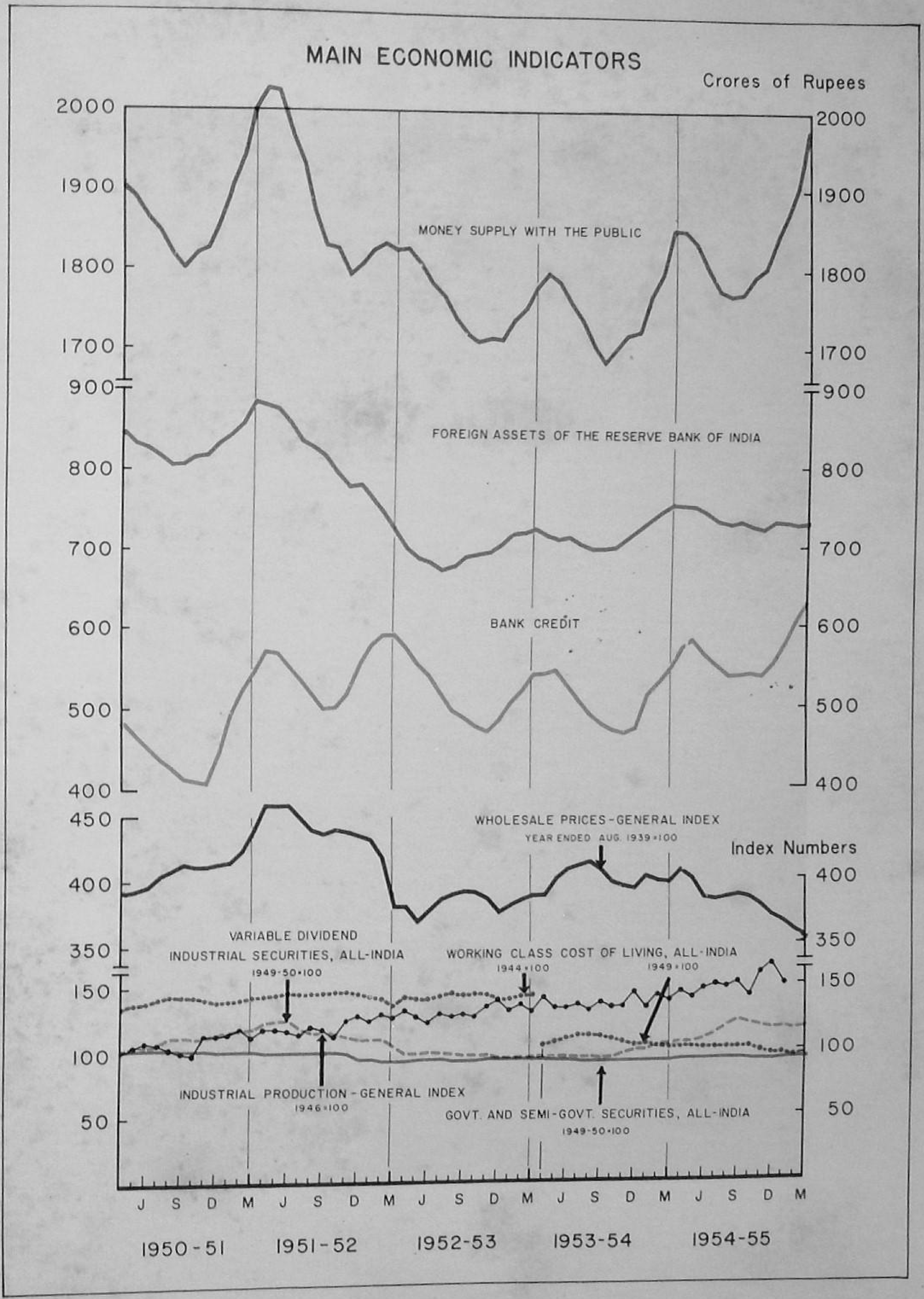
GRAPH I


MAIN ECONOMIC INDICATORS
Crores of Rupees
MONEY SUPPLY WITH THE PUBLIC
FOREIGN ASSETS OF THE RESERVE BANK OF INDIA
BANK CREDIT
WHOLESALE PRICES - GENERAL INDEX
YEAR ENDED AUG. 1939=100
Index Numbers
VARIABLE DIVIDEND
INDUSTRIAL SECURITIES, ALL-INDIA
1949-50=100
WORKING CLASS COST OF LIVING, ALL-INDIA
1944=100
1949=100
INDUSTRIAL PRODUCTION - GENERAL INDEX
1946=100
GOVT. AND SEMI-GOVT. SECURITIES, ALL-INDIA
1949-50=100
2000
1900
1800
1700
900
800
700
600
500
400
450
350
150
100
50
J S D M J S D M J S D M J S D M J S D M
1950-51
1951-52
1952-53
1953-54
1954-55

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PART I

INTERNATIONAL ECONOMIC DEVELOPMENTS

INTERNATIONAL ECONOMIC DEVELOPMENTS

Introduction.—World economy in 1954, assisted by the lessening of international political tensions, gained in strength and continued to be relatively stable. Production was well maintained, prices were generally stable and the international payments position improved, though less rapidly than in the previous year (*vide* Statement 1). The relatively mild 'inventory recession' that took place in the United States of America between the summer of 1953 and the spring of 1954, was soon followed by a recovery of the U. S. economy, particularly in the last quarter of the year. As a result, output in the U.S.A. in 1954 was nearly the same as in the previous year and consumer expenditure registered a substantial increase.

Economic developments in the U. S. A., along with the continuation of its defence and economic aid, led to an increase in the reserves of other countries, particularly of Western Europe and the sterling area. This strengthening of the foreign exchange position together with an improvement in the volume and balance of world trade enabled a number of countries, especially in Western Europe, to relax generally their restrictions on trade and payments, including some against dollar imports, and made the climate more favourable for further efforts in the direction of currency convertibility.

The firmness of commodity prices, the buoyancy of share prices and greater activity in new issues following further liberalisation of control over capital issues were also indicative of the improvement in the domestic economic situation in several countries. Budgetary policies were generally directed towards increasing the tempo of economic activity in the advanced countries and of economic development in underdeveloped countries.

For the greater part of the year, as inflationary pressures subsided in several countries, further relaxation of monetary controls took place ; but towards the end of the year, and more particularly in the first quarter of 1955, signs of a re-emergence of inflationary trends led to renewed tightening of credit, particularly in the United Kingdom.

Production.—World agricultural production during 1954 was nearly as large as the record level attained in the previous year and led to substantial increases in carry-over stocks of several staple commodities particularly wheat, sugar, cotton and rice. In the U.S.A., agricultural output equalled the record level of 1953, while in Canada it suffered a setback owing to adverse weather conditions. In most of the Latin American countries, the increase over the previous year was about 3 per cent. Western Europe as a whole made only a small gain during the year, but Western Germany and Sweden registered sizeable increases. In some of the Middle-Eastern and Asian countries, output was somewhat below the high levels reached in the preceding year.

Industrial output, however, remained at the level reached in 1953. In the U. S. A., where there was an initial decline in the first quarter of the year in continuation of the 'inventory recession' which had begun in the third quarter of 1953 and affected individual industries rather unevenly, output showed increases over a broad front thereafter, particularly in the last quarter of the year. As a result, total output for 1954 was only slightly lower than in 1953. Most industries contributed to this expansion, particularly automobiles.

In the U. K., against the background of full employment, expanding demand and higher productivity, industrial production during 1954 increased by about 6 per cent. In most of the industries in which production showed the largest increases, both exports and home market sales rose substantially, for instance, in the metal and metal-using industries. Output of chemicals, paper and printing also rose fast. In the textile, leather and clothing industries, however, the rise in output was relatively small, owing to lower external demand as evidenced by fewer exports.

Industrial production in Western Germany increased at about twice the rate of advance achieved by the U. K. and was sustained mainly by a higher volume of exports. The expansion was especially marked in capital goods industries in response to the growing demand for products like farm equipment, vehicles and machine tools from foreign countries and increased consumption of durable consumer goods at home. Output in other Western European countries also rose markedly during 1954, the increases ranging upto 22 per cent. This performance is comparable with that of 1951, the last time when industrial production in Western Europe increased substantially. The expansion in industrial output was accompanied by a considerable increase in the volume of trade of these countries.

Industrial production in several of the Asian, African and Latin American countries also continued to show improvement, both in manufacturing and in mining.

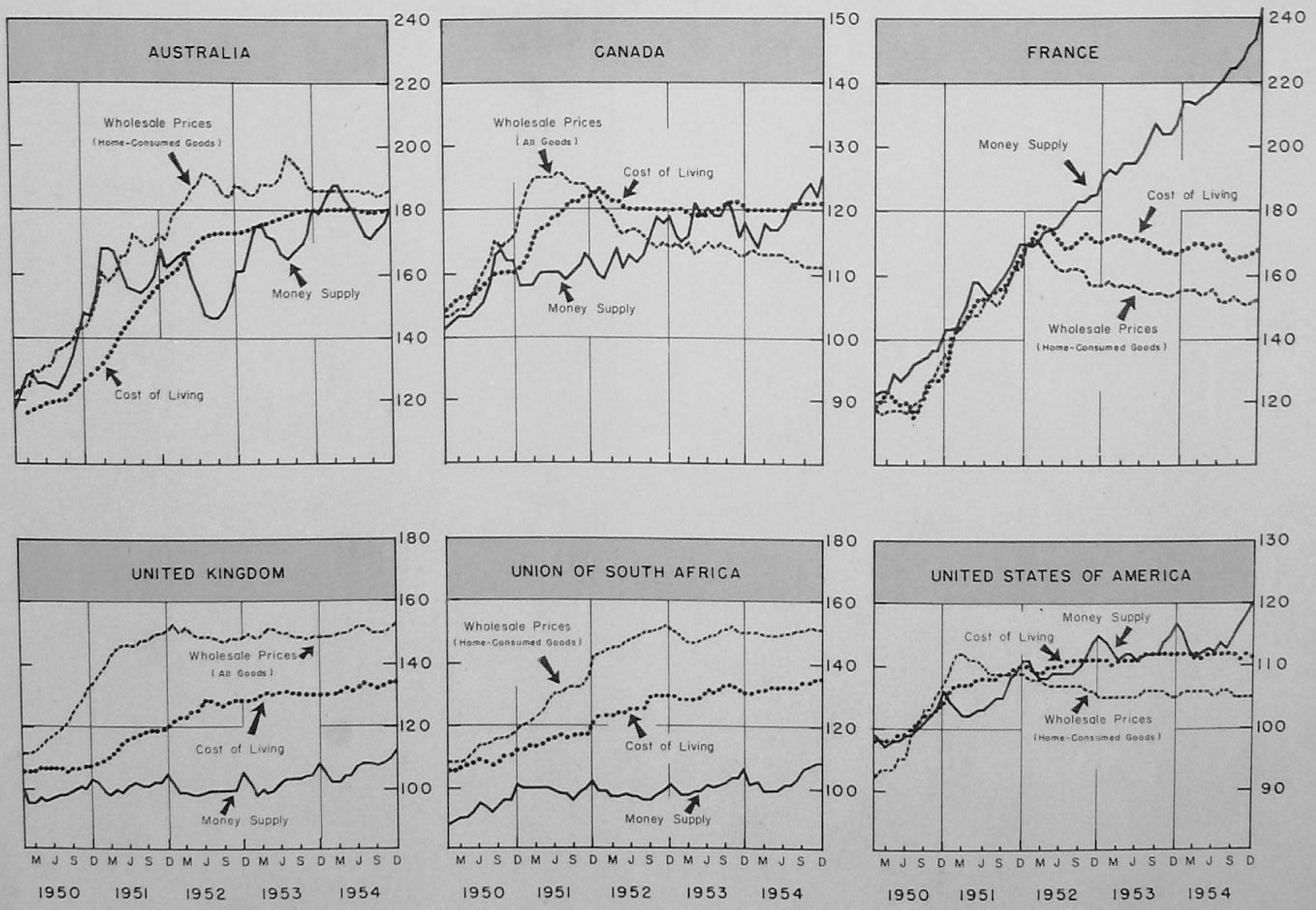
Price Trends.—The overall price stability achieved in various countries during 1953 was well maintained during 1954 (*vide* Statement 2 and Graph 2). As in the preceding year, the extent of price fluctuations in most of the countries was limited to 5 per cent although, in contrast to the generally declining trend in 1953 and in 1952, price movements during the year under review tended to be generally upward. Indeed, in some countries, notably the U.K., there were indications of a mild inflationary upsurge towards the close of 1954 and in early 1955.

In the U.S.A., stability in prices was maintained, despite the recessionary tendencies in early 1954, owing to Government stockpiling and price support programmes, the continued economic expansion in Western Europe and the high level of domestic demand in the third and particularly in the fourth quarters.

GRAPH 2

INDICES OF MONEY SUPPLY, WHOLESALE PRICES AND COST OF LIVING IN SELECTED COUNTRIES

BASE: 1948 = 100



Wholesale prices in the U. K. remained steady for the greater part of the year but showed a tendency to rise towards the close ; the net overall rise was about 3 per cent, reflecting the buoyancy of home demand and the rising cost of production influenced by higher import prices.

In some countries, the general price level showed a rise during the year, as against a decline in the previous year ; these included Austria, Costa Rica, Denmark, Iraq, Italy, Netherlands, Norway and Switzerland. The price increases in some other countries like Brazil, Chile, El Salvador, Greece, Israel, Peru and Turkey were in continuation of the uptrend in the preceding year. Significant increases in prices were recorded in Israel (12%), Mexico (16%), Peru (10%), Brazil (23%) and Chile (30%). As against these, prices in certain countries showed a downtrend, although the declines were moderate, being below 6 per cent. The declines in Canada, Dominican Republic, Egypt, Finland, France, Lebanon and Portugal were in continuation of the preceding year's trend, while the declines in India and Japan provided a contrast to the rises in the preceding year.

World prices of internationally-traded commodities derived considerable strength as the year progressed, reflecting partly the success of the anti-recession steps taken by a number of countries and partly the relative shift in the international commodity position. The pressure of surpluses was considerably reduced with the systematic restriction of output of certain important commodities and the freer flow of credit, while demand showed a significant revival influenced by the intensification of the new U. S. stockpiling activity, buying by traders and consumers to replenish their depleted stocks and the continued high level of industrial activity, particularly in Western Europe. Generally speaking, prices of industrial materials firmed up almost throughout the year as their statistical supply position became relatively stronger in the face of increasing demand. On the other hand, prices of basic foodstuffs continued their downward adjustment, with surplus countries cutting prices, as in the case of wheat by the U.S.A. and Canada, but this process was halted towards the close of the year with prospects of lower harvests of the 1954-55 crops. Certain specific commodities, however, experienced violent price fluctuations during the year, especially the beverage group of commodities. Tea prices rose to new record levels due to exceptionally strong demand, while coffee and cocoa prices, after a hectic rise in the first half of the year, showed a sharp reaction. Rubber prices too recorded a sharp increase, and lead and copper prices, a substantial rise. Important commodities showing major price declines over the year included wool, black pepper and sisal.

Monetary and Credit Policies.—Flexible monetary and credit policies initiated in several countries in 1950 and 1951 continued to be pursued during 1954 ; these tended to be liberal for the greater part of the year, but towards the end and particularly in the first quarter of 1955 they were tightened in some countries with the emergence of inflationary symptoms. Money supply rose in most countries during the year along with expanding output (*vide* Statement 3).

In the U. S. A., the monetary authorities continued their policy of 'active ease' in order to stem the recessionary tendencies which had been evident in the economy for some time before. The Federal Reserve reduced, on February 5,

1954, the discount rate by ¼ per cent to 1¾ per cent, thus restoring it to the level prevailing before January 16, 1953. Later in the quarter, it made substantial purchases of Government securities and, in addition, reduced its minimum buying rate on bankers' acceptances by ¼ per cent to 1¾ per cent. The continuing easiness in the market and the need to narrow the spread between the discount rate and the short-term money rates, which were already well below 1½ per cent, led to a further reduction of the discount rate of the Federal Reserve to 1½ per cent on April 14. Following the large increase in Treasury balances in the latter half of June, credit stringency developed, and to relieve it the Federal Reserve purchased Government securities and reduced reserve requirements in stages between June 16 and August 1. The reductions in later stages were in anticipation of estimated demands during the summer and autumn. During the following months, the open market operations of the Federal Reserve were designed to offset the drain on reserves, or to maintain them at an adequate level. Towards the end of the year, however, with the moderate recovery in business conditions and the unprecedented boom in the stock market, the authorities moderated their policy by a shift from 'active ease' to one of 'less active ease'. To discourage speculation, margin requirements for security loans were raised from 50 to 60 per cent, effective from January 5, 1955. The increase in short-term rates since January 1955 together with the continuance of signs of speculative excesses in some sectors of the economy necessitated a further upward adjustment in the rediscount rate to 1¾ per cent in mid-April.

In the U. K. also, monetary policy for most of the year was directed towards easing and cheapening bank credit. In the second quarter, credit conditions eased considerably, and with the Bank rate ruling at 3½ per cent the London money rates were above those obtaining in overseas centres, especially New York, resulting in an inflow of foreign short-term funds to London. With a view to discouraging this inflow and bringing the official discount rate into alignment with other market rates, the Bank rate was reduced on May 13, from 3½ to 3 per cent. This was followed by similar adjustments in the general pattern of money rates. The policy remained broadly unchanged throughout 1954; but in the last quarter short-term rates in London, which had hitherto remained steady, began to move up sharply and by January 21, 1955 the Treasury bill rate rose to over 2 per cent from 1-9/16 per cent in mid-November. Towards the end of the year, the internal economy, despite its earlier general strength, showed fresh signs of an inflationary upsurge. Externally the pound sterling had been weak since the third quarter of 1954. To meet the situation the Bank rate was raised twice within a month by ½ per cent to 3½ per cent on January 27, 1955 and by a further 1 per cent on February 24, 1955, to 4½ per cent—the highest rate since 1932. This move was supplemented by the reintroduction of restrictions on the terms of hire purchase as well as on hire purchase credit in order to exert a direct restraint on demand for durable consumer goods. The increase in the Bank rate was followed by upward adjustments in other money rates.

In Western Europe, while monetary and credit controls were eased in some countries, in others they were intensified. The main factors making for easier money in the former were the growing strength of the internal economy, the continued improvement in the balance of payments and the desire to stimulate investment and to increase production.

The changes in the discount rates of the European and other Central Banks are given below.

Recent Changes in Central Bank Discount Rates

Countries	Date of Change	Discount Rate: Before Change	Discount Rate: After Change	Difference
		%	%	%
Austria	June 3,1954	4·00	3·50	−0·50
	May 20, 1955	3·50	4·50	+1·00
Canada	February 14, 1955	2·00	1·50	−0·50
Ceylon	June 12, 1954	3·00	2·50	−0·50
Costa Rica	April 1954	4·00*	5·00*	+1·00
Denmark	June 22, 1954	4·00	5·00	+1·00
Finland	December 1, 1954	5·75	5·00	−0·75
France	February 4, 1954	3·50	3·25	−0·25
	December 2, 1954	3·25	3·00	−0·25
Western Germany	May 10, 1954	3·50	3·00	−0·50
Greece	January 1, 1954	12·00	10·00	−2·00
	January 1, 1955	10·00	9·00	−1·00
Guatemala	January 1, 1954	4·00	6·00	+2·00
Ireland	May 25, 1954	3·50	3·00	−0·50
New Zealand	April 12, 1954	1·50	3·50	+2·00
	November 26, 1954	3·50	4·00	+0·50
Nicaragua	April 1, 1954	5·00	6·00	+1·00
Norway	February 14, 1955	2·50	3·50	+1·00
Philippines	February 12, 1954	2·00	1·50	−0·50
Spain	July 1, 1954	4·00	3·75	−0·25
United Kingdom	May 13, 1954	3·50	3·00	−0·50
	January 27, 1955	3·00	3·50	+0·50
	February 24, 1955	3·50	4·50	+1·00
United States of America	February 5, 1954	2·00	1·75	−0·25
	April 14, 1954	1·75	1·50	−0·25
	April 15, 1955	1·50	1·75	+0·25

*Discount rate for commercial paper, the rate for agricultural and industrial paper remaining unchanged at 3 per cent.

Several European countries reduced their Bank rate. In Greece, the Government also relaxed in March 1954 the credit restrictions imposed in the previous year and subsequently revised its credit policy so as to help reduce the reliance on new money issues for financing agriculture and business. The maximum interest rate on deposits was also fixed and the rate applicable to public institutions on funds deposited with the Bank of Greece was reduced.

Monetary policy in some of the other European countries was directed towards tighter credit through increases either in the Bank rate or in reserve requirements. Thus in Denmark, in order to arrest the decline in foreign exchange assets, the Bank rate was raised on June 22, 1954 from 4 to 5 per cent, thus bringing it back to the level prevailing in October 1939. In the Netherlands, the continued rise in the liquidity of the banking system resulting from persistent accretions to foreign assets, led the Netherlands Bank to introduce cash reserve requirements for banks in March and subsequently to raise them in stages. The Bank also entered into an agreement with the private banks for the partial freezing of excess liquid assets and introduced supplementary controls mainly through secondary reserve requirements and credit ceilings. With a view to reducing the country's external payments deficit and combating inflationary tendencies at home, the Central Bank of Norway raised its discount rate by 1 per cent to 3½ per cent on February 14, 1955. Earlier in the year, the reserve requirements of the Norwegian banks were raised and banks were directed to bring down the volume of outstanding credit. In Sweden, following negotiations with the Riksbank, commercial banks agreed to adopt a policy of credit restraint with a view to preventing the re-emergence of inflationary pressures.

Among the Commonwealth countries, inflationary pressures in New Zealand stemming from a large expansion in overseas assets and a raising of the wage levels necessitated a tighter credit policy. The Reserve Bank of New Zealand raised its discount rate twice during 1954, from 1½ to 3½ per cent in April and further to 4 per cent in November. The first move was followed in May 1954 by the raising of reserve requirements of trading banks from 20 to 25 per cent in the case of demand deposits and from 10 to 12½ per cent in the case of time deposits. These reserve requirements were temporarily reduced in September 1954, but restored in November to the earlier level. In Australia, the Commonwealth Bank urged the trading banks to grant new credit less generously, particularly in regard to capital expenditure. Towards the end of the year, the Bank also sanctioned a rise of ¼ per cent in the maximum interest rates payable by the trading banks on fixed deposits and an increase in rates payable on savings bank deposits. On the other hand, in Ceylon, the easing of monetary restraints, which was initiated in the latter half of 1953, was carried a step further in 1954, the Central Bank of Ceylon reducing its Bank rate in June from 3 to 2½ per cent.

In consonance with its policy of further tightening money, the Government of Japan in a memorandum issued in May 1954, urged the banks to restrict credit and to cut down their borrowings from the Bank of Japan, and in October the Bank of Japan followed this up by revising the system of selective higher interest rates on its advances to commercial banks.

The growth in the scope and tempo of activity in the short-term money market in Canada over the past two years or so, necessitated a more flexible and closer relationship of the Bank rate to other short-term rates. As yields on Treasury bills and short-term Government bonds declined materially during this period, the Canadian Bank rate was reduced from 2 to 1½ per cent in February 1955. In the Philippines too, with a view to stimulating employment and income levels, the Bank rate was reduced from 2 to 1½ per cent in February 1954.

The inflationary pressure and fluctuation in foreign exchange reserves that persisted during 1954 in some of the Latin American countries, resulted in a further

tightening of credit policies. In Colombia, the monetary authorities increased the obligatory cash holdings of banks against demand liabilities by 3 per cent to 18 per cent in January 1954. Further, the reserve requirements on new deposits were raised twice during the year (in May and July) to 60 per cent, and Central bank's deposits in private banks were withdrawn in four monthly instalments commencing from July 8, 1954. In Chile, the quantitative controls over credit that were relaxed in 1953, were re-established and qualitative controls strengthened. The expansion in commercial bank credit was limited to a monthly rate of 1·75 per cent for banks in Santiago and 2 per cent for regional banks. In order to prevent an undue expansion of commercial credit, the Government of Nicaragua established credit ceilings applicable to the entire banking system. The commercial banking institutions in that country were also ordered in July 1954 to reduce their commercial credit portfolio over a period of three months to the level obtaining at the end of December 1953. In Brazil, the reserve requirements of banks were increased in October 1954 to 14 per cent of sight deposits and 7 per cent of fixed and notice deposits exceeding 90 days, in the case of banks with deposits exceeding the highest levels prevailing prior to October 30, 1954. In the same month, maximum rates of interest were prescribed on certain types of bank deposits ; the rediscount rate was raised to 8 per cent for commercial paper and to 10 per cent for promissory notes.

Capital Markets.—Trends in the capital markets in the leading countries generally reflected the internal economic stability and the prospect of continuing economic growth in those countries, rather than international developments and speculative activities. Gilt-edged ruled generally firm ; equities were buoyant and the new issue market was more active than in 1953.

The gilt-edged market in a majority of the countries, including the U.K., the U.S.A., Canada, Belgium and the Netherlands, witnessed a further improvement, particularly during the first half of 1954. The bond market in Australia, New Zealand and South Africa ruled steady. In a few countries like Sweden and Switzerland, however, the market turned a shade easy.

In the U.K., Government securities continued to rule generally firm in the first half of 1954 ; the Bank rate was reduced from 3½ per cent to 3 per cent in May 1954, a series of loans on a comparatively lower yield basis were issued and the pound sterling was relatively strong. From the second half of November, however, the market evinced an easy tendency owing mainly to a rise in the Treasury bill and other short-term rates and apprehensions of a higher Bank rate. Over the year, however, bond prices showed a net rise of 4 per cent, as compared to a rise of 7 per cent during the previous year. The rise was relatively larger in the long and undated sections. Prices at the end of 1954 stood more or less around the levels prevailing immediately prior to the raising of the Bank rate in November 1951.

The gilt-edged market in the U.S.A. ruled firm during the first three quarters of 1954, owing to a reduction in both the discount rate and the yields offered on the loans issued during the period, coupled with the prevalence of generally easy conditions in the money market. Following the announcement in November of

the Treasury's large refunding operations programme and reports of a shift in credit policy, the market turned somewhat easy. Over the year, bond yields showed a small net decline.

The general trend in several countries towards stretching out debt maturities, which was noticed in 1953, became increasingly evident during the period under review. Another feature of Government borrowing was that the yields offered on issues made during the year were lower than those offered on issues with comparable maturities during the preceding year.

As regards industrial shares, the uptrend noticed during the second half of 1953 in various countries continued at an accelerated pace. The increased confidence in the stability and growth of the economy, encouraging corporate news, good business prospects and increase in industrial production, contributed to the bullish trend, particularly in the U.K., the U.S.A., France and West Germany. In Canada, the easier trend of the previous year was reversed into one of sustained recovery. Among the other countries which showed a net rise in share prices were the Netherlands, Sweden, Italy, Belgium, and Switzerland among the Continental countries and South Africa, Australia and New Zealand among the Commonwealth countries. In the U.K., share prices showed a net gain of 39 per cent, as compared to a gain of 18 per cent during the preceding year. In the U.S.A., the net rise over the year was 44 per cent, as against a decline of 3 per cent during the preceding year. The Dow Jones industrial average touched a new peak of 404 on December 31, surpassing the previous record level of 381 reached on September 3, 1929. Japan provided a notable exception to the bullish trend and share prices declined further, owing mainly to the impact of the tight money policy pursued by the authorities ; sentiment was also adversely influenced by the unfavourable profit position of leading companies.

There was a considerable increase in new issue activity in 1954 in both the public and the private sectors. Thus, new issues were higher in the case of the U.S.A., the U.K., Canada, France, Sweden, Belgium and Australia. As in the previous year, issues in the public sector generally continued to predominate, except in the U.K. where private issues showed a sharp increase from £110 million in 1953 to £207 million in 1954, and public issues dropped slightly from £286 million to £265 million†. As regards types of issues, debentures continued to form the bulk of new issues in the U.S.A. and the U.K.

The year under review witnessed further liberalisation of the control over capital issues. Thus, in France, following the improvement in the conditions in the new issue market, existing companies were exempted from the purview of the capital issues control in October 1954. In the U.K., the Chancellor of the Exchequer informed the Capital Issue Committee, in August, that he did not think it would be appropriate to maintain a rigid ban on all new finance for hire purchase.

Budgetary Policies.—The budgets of most countries were formulated against the background of an increase in national income and the consequent buoyancy in Government revenues. There was a decline in defence outlays in several countries (U.S.A., Canada and France), a notable exception being Russia. On the other hand, provision was made in several budgets for larger expenditures on social services. Despite this outlay and tax concessions (the latter being designed to

† Midland Bank Review, February 1955.

provide further stimulus to economic activity as in the preceding year), the budgets of most countries are expected to show surpluses or smaller deficits. Thus, the U.K. budget for 1955-56 reveals a surplus of £148 million after tax concessions involving a loss to revenue of £ 134 million, and the U.S. budget for 1955-56 is expected to show the smallest deficit since 1951-52.

The measures of tax relief in various countries include (1) a reduction of 6d. in the standard rate of income-tax* from 9s. to 8s. 6d. in the £ in the U.K., (2) an increase in the annual exemption limit of pay-roll tax and an overall decrease in the rates of individual income-tax and social service contribution in Australia, (3) increase in personal exemption limits and removal of surcharge on income-tax in New Zealand, (4) introduction of a comprehensive tax reform in July 1954 in the U.S.A., which, *inter alia*, provides larger allowances on personal and family incomes and more liberal depreciation allowances and (5) the tax reform of November 1954 in West Germany, the main effect of which is to reduce the level of income taxation.

The budgets of underdeveloped countries continued to reflect the need to raise larger revenues to finance their development programmes in the public sector and at the same time to stimulate savings and investment. Outlays on developmental programmes have been accelerated and the consequent budgetary gaps deficit-financed.

International Payments Position.—In spite of the temporary recession in the U.S.A., the value of international trade increased and commodity prices remained firm in 1954, as compared to the previous year, mainly because of rising economic activity in the U.K. and Western Europe, a larger supply of goods at competitive prices in the non-dollar area and the continued high level of U. S. military expenditure abroad. World payments position, as a result, recorded a further improvement, though at a slower rate ; and in consequence many countries, especially in Western Europe, were able to relax their restrictions on trade and payments.

Gold and foreign exchange reserves of countries, other than the U.S.A., Australia and the Soviet Bloc, increased by $1,888 million in 1954 as against $2,229 million in 1953. This increase accrued mainly to Western Europe, particularly to France, Germany and the U.K. There was a sharp deterioration in the payments position of Brazil, Thailand, Burma, New Zealand and Australia. A large drop in the prices of rice affected Burma and Thailand, while a decline in wool prices affected Australia and New Zealand. Coffee prices rose early in the year but fell later, affecting Brazil adversely.

The bulk of the rise in the gold and dollar reserves of 'all areas' was mainly due to their transactions with the U.S.A., although the rate of increase declined from $2.3 billion in 1953 to $1.7 billion in 1954 partly on account of a decline of $659 million in U.S. imports and an increase of $445 million in U.S. exports. This increase in gold and dollar reserves was again mainly concentrated in Western Europe and attributable to the high levels of United States military expenditure abroad, military and economic aid and the substantial outflow of U.S. pri-

* This concession is expected to take out some 2·4 million tax payers from the income-tax lists and benefit them to the extent of £17 million in a full year.

vate capital. Though 'other grants' and military aid were $1,386 million lower than in 1953, they remained at a high level of $4,708 million. As compared to 1953, military expenditure abroad increased by $37 million to $2,533 million and private outflow of capital by $1,168 million to $1,545 million.

The slackening in the rate of increase of world gold and dollar reserves through transactions with the U.S.A. was accompanied by a widening of the 'dollar gap'. The U.S. surplus balance on current and capital account, excluding all military and other Government transactions as well as the net inflow of foreign capital and gold, increased from $2 billion during 1953 to $2.2 billion during 1954, primarily due to an increase in the surplus on visible balance (*vide* Table below)

United States Balance of Payments

(Millions of U. S. Dollars)

	1953	1954
Visible Balance (excluding military aid exports)	+1,272	+2,376
Balance on current account (excluding all military transactions)	+2,872	+4,167
Private U.S. capital outflow and remittances	− 850	−1,984
Balance on current and capital account (excluding all military and Government transactions and foreign capital and gold)	+2,022	+2,183

The decline in the rate of accumulation of gold and dollar reserves through transactions with the U.S.A. was much more marked for the sterling area than for any other regional group. As compared to 1953, the rate of increase in the reserves of the sterling area was smaller by $479 million.

The sterling area's surplus with non-sterling countries of £325 million in 1953 was sharply reduced to only £7 million in 1954 (*vide* Table below). The U.K. and the rest of the sterling area were more or less equally responsible for this deterioration. The U.K.'s current surplus of £44 million with the non-sterling countries during 1953 was converted into a deficit of £109 million during 1954, a swing of £153 million. The decline in defence aid (£52 million) accounted for about one-third of this ; the rest was due to higher expenditure on non-sterling imports. The non-sterling surplus of the rest of the sterling area fell from £281 million in 1953 to £116 million in 1954, rising imports and fall in wool prices being mainly responsible for this change.

Balance of Payments of the Sterling Area with Non-Sterling Countries

(£ million)

	1953	1954		
		1st half	2nd half (Provisional)	Year (Provisional)
United Kingdom	+ 44	+ 58	−167	−109
Rest of the sterling area	+281	+113	+ 3	+116
Total sterling area balance with non-sterling countries	**+325**	**+171**	**−164**	**+ 7**

The overall surplus of £7 million during 1954 mentioned above, however, concealed the sizeable deterioration which took place in the sterling area's payments position in the second half of 1954. A surplus in the sterling area's balance with non-sterling countries of £171 million in the first half of 1954 was changed into a deficit of £164 million in the second half, the U.K. accounting for two-thirds (£225 million), and the rest of the sterling area for one-third (£110 million), of this deterioration between the two half years. The change between the two half years was partly accounted for by interest payments on the North American loans which fall due in December, and partly also by a seasonal decline in the exports of the rest of the sterling area in the second half of the year. But these were not the main reasons for the change. More important was a weakening of the sterling area's payments position, which was not seasonal, and which was largely due to a worsening of the U.K.'s balance of payments during the second half, almost equally between the visible and the invisible balance. Although the U.K.'s exports went up, its trade gap widened, particularly in the non-sterling side, owing to increased payments for imports. Imports increased, partly as a result of rising industrial output, larger consumer expenditure stimulated by easier hire purchase arrangements and some special factors, including possibly some stocking up in anticipation of price increases, and partly from the deterioration in the terms of trade, which since 1951 had been moving steadily in the U.K.'s favour.

With the dollar area, the OEEC countries and the rest of the non-sterling countries, sterling area's current payments position deteriorated (between 1953 and 1954) by £92 million, £111 million and £115 million, respectively. The U.K. accounted for a deterioration of £93 million and £74 million, respectively, with the dollar area and the OEEC countries and an improvement of £14 million with the 'other non-sterling countries'. The rest of the sterling area was mainly responsible for the sterling area's deficit with the 'other non-sterling countries' during 1954. Though the rest of the sterling area's payments position vis-a-vis the dollar area worsened by about £59 million between the two years, its sales of gold in the U.K. increased from £79 million during 1953 to £139 million during 1954, representing mainly the diversion of gold sales to London following the reopening of the market in March 1954.

As a result of all these developments, the increase in the sterling area's gold and dollar reserves was £87 million during 1954 as against £240 million during 1953. Apart from the deterioration in the current balance of the sterling area with non-sterling countries, some special factors, affecting U.K.'s capital account, were also responsible for a part of this decline. These were the repurchase of the outstanding £40 million of the sterling sold to the International Monetary Fund in 1947 and 1948, and the bilateral payments in gold and dollars of £39 million to the creditors in the European Payments Union.

Because of this deterioration in the payments position of the sterling area during the second half of 1954, the sterling exchange rates against the dollar weakened. The spot dollar selling rate fell from 2.81¾ as on July 30, 1954 to 2.78 7/16 as on December 31, 1954. The transferable sterling selling rate similarly fell from 2.79¼ on May 28, 1954 to 2.72 1/8 on December 31, 1954. Because of this widening between official sterling and transferable sterling rates, commodity shunting operations probably became profitable, late in 1954, thus adversely affecting the sterling area's dollar income both from visible as well as invisible transactions.

The sterling area's payments position continued to worsen during the first quarter of 1955, when the gold and dollar reserves fell by £33 million. The U.K.'s average monthly imports during this quarter increased by 23 per cent, while its exports increased by only 10 per cent, as compared to the first quarter of 1954; as a result the adverse trade balance increased sharply to £231.3 million as against £120 million in the first quarter of 1954. The March trade deficit of £92.4 million was the highest monthly deficit since April 1952 when it was £94.8 million. Of the deterioration of £111.3 million in the visible trade balance between the first quarter of 1955 and the first quarter of 1954, the increased deficit with the dollar area and the OEEC countries accounted for £75 million and £18 million, respectively.

Since the rise in the U.K.'s demand for imports was not matched by a corresponding increase in export earnings, action was taken early in 1955 to moderate the expansion in home demand and thereby both to restrain imports and to encourage exports. The Bank rate was raised and both the terms of hire purchase transactions as well as hire purchase finance were tightened. At the same time, the Exchange Equalisation Account was authorised to support, at its discretion, transferable sterling in the overseas free markets. As a result of all these measures, the sterling exchange rates against the U.S. dollar hardened. The dollar spot selling rate for official sterling improved to 2.79¾ by the end of April 1955 from 2.78 7/16 at the end of January. The transferable sterling selling rate also hardened during the same three months from 2.71 7/8 to 2.77.

As was noted in last year's Report, considerable simplifications of the payments arrangements of the exchange control of the U.K. and of the Federal Republic of Germany were made, respectively, in March and April 1954. In both these countries importers and exporters are now free, with minor exceptions, to make their financial settlements with any non-dollar non-sterling area country in 'partly convertible' deutsche marks or transferable sterling. In France, in July 1954, the movement of funds between the accounts of residents in OEEC countries was permitted freely, and the freedom of transfer already existing between the French franc accounts of residents of Canada and the U.S.A. was extended to other countries in the dollar area.

In Western European countries, increased freedom was granted for capital movements. The Federal Republic of Germany introduced in September 1954 a category of non-resident accounts called Liberalised Capital deutsche mark accounts. Capital assets of non-residents are released to the credit of such accounts. Unless special permission is obtained, new foreign investments in the Federal Republic must be made from balances in these accounts, and 'freely convertible' or 'partly convertible' deutsche mark accounts may not be used for this purpose. In consequence of the demand by potential foreign investors, the free market rate for Liberalised Capital deutsche marks has remained practically the same as the official market quotation. Moreover, the regulations governing the use of the blocked deutsche mark balances in the Federal Republic were eased, and the repatriation of balances was, by successive stages, permitted in full. Finally, in September 1954, the currently accruing balances were freed and blocked deutsche mark accounts abolished. Capital items payable to residents outside the Federal Republic are now credited to the Liberalised Capital deutsche mark accounts. Balances on these accounts can either be transferred to 'partly convertible' deutsche mark ac-

counts (applicable to most non-dollar countries) or used by non-residents for investment in the Federal Republic. A free market between Belgium-Luxembourg and the Netherlands was opened up to facilitate capital movements as part of the arrangements for the further development of Benelux.

Further progress was recorded in the relaxation of trade and exchange restrictions through numerous small measures. For example, several countries, mainly in Western Europe and the sterling area, have liberalised their restrictions on non-dollar imports (Australia had, however, to modify its original liberalisation in view of the marked increase in its imports). There was an appreciable lessening of discrimination against dollar imports and remittances to dollar countries in Belgium, Denmark, the Federal Republic of Germany, Italy, Luxembourg, Netherlands, Sweden and the U. K. and among countries outside Europe, in Ceylon, India, Pakistan, the Union of South Africa and New Zealand. As part of their programme of liberalisation of their current transactions, France, the Federal Republic of Germany, Netherlands and the United Kingdom extended to traders in other countries the facilities already granted to traders in their own countries in certain commodity markets. The nature of these arrangements varied, but in general they permitted approved dealers in these markets to buy and sell anywhere in the world the commodities in which they specialised. Only in a few cases, however, did the arrangements go so far as to permit goods purchased with convertible currencies to be sold against inconvertible currencies. Following the widening of the commodity market facilities and the freedom of transferability, for both sterling and deutsche marks, amongst non-dollar countries, less reliance was placed by some leading trading countries on bilateral trade and payments agreements. Exchange controls have been simplified in at least twelve countries, mainly in Western Europe and the sterling area.

The OEEC countries at their meeting held in Paris in January 1955 agreed, among other things, to an increase in the near future in their commitments regarding the liberalisation of trade among themselves from the present 75 per cent overall level to 90 per cent of their total imports on private account and from 60 per cent to 75 per cent as a minimum in each of the three broad categories of imports, namely, agricultural goods, raw materials and manufactured goods. The Council of the OEEC also recommended that its members should continue their individual efforts to reduce "quantitative restrictions on imports of goods and restrictions on invisible transactions and transfers from the United States and Canada" and that its members (other than Greece and Turkey) should discontinue by the end of 1955 certain artificial aids to exports.

It was decided last year to renew the European Payments Union until June 30, 1955. In addition, arrangements were made to settle a large part of the outstanding debit positions in the EPU through bilateral agreements between certain debtors and creditors. Under these arrangements, creditors agreed to accept repayment from debtors over a period of seven years and the debtors, on their part, agreed to make an initial repayment in gold of 25 per cent of their debt included in the agreements. Total debt brought under these bilateral arrangements amounted to $863 million. Further, the creditors received from the EPU $130 million in gold in return for which they agreed to grant additional credits to the EPU after June 30, 1954. Moreover, from this date, a considerable simplification was effected in the mechanism of settling debits and credits in the EPU. The rising scale of gold

payments by debtors and the gold-free tranche for creditors were abolished and all deficits and surpluses incurred as from July 1, 1954 within the limits of the quotas were to be settled by equal payments of gold and receipts of credit. The size of the quotas was increased by 20 per cent in order to keep the total amount of credit obtainable by each country at the old level.

At the Paris meeting of the OEEC, mentioned earlier, it was decided to prolong the EPU beyond June 30, 1955. The Managing Board of the EPU was asked to prepare a report on changes which would be necessary for continuing the EPU and to work out plans for the new arrangement which would be necessary if and when one or more OEEC currencies were made convertible.

The U.S. Congress in 1954 did not give its consent to the President's liberal trade programme, drawn in the light of the Randall Commission's recommendations, and voted for only a year's extension of the Reciprocal Trade Agreements Act. In February 1955, however, the Reciprocal Trade Agreements Bill was narrowly passed by the House of Representatives without any amendment. The Bill seeks, among other things, to extend for three years the Reciprocal Trade Agreements Act with amendments to empower the President as follows : (1) to reduce present tariff rates on individual commodities by as much as 5 per cent per year in each of the three years of the new Act, (2) to reduce tariff rates in greater degree in the case of products now imported in negligible volume, and (3) to reduce to 50 per cent any rate in excess of that level. The Senate started debating the Bill on May 2, 1955.

On March 7, 1955, the Contracting Parties to the General Agreement on Tariffs and Trade completed a comprehensive review of the Agreement in the light of seven years' experience. They have reaffirmed the basic objectives of the Agreement, adapted the provisions of the Agreement to meet changed conditions, and elaborated the objectives and the structure of an Organisation for Trade Co-operation to administer the Agreement. The changes which have been worked out will now be submitted to Governments for acceptance ; in the meantime, the existing unamended Agreement remains in force. The following are some of the important agreed proposals : (1) the assured life of the present tariff schedules should be prolonged from July 1, 1955 to December 31, 1957, and a new principle should be introduced into the revision of the Agreement, which would permit the automatic extension of the assured life of the tariff schedules in the future, by periods of three years, with provisions to enable Contracting Parties to seek authority to renegotiate during the bound period bound rates of duty if they find they must modify or withdraw some of them ; (2) Contracting Parties in the early stages of development should enjoy additional facilities to enable them (*a*) to maintain sufficient flexibility in their tariff structure to be able to grant the tariff protection required for the establishment of particular industries and (*b*) to apply quantitative restrictions on imports to protect their balance of payments in a manner which takes full account of the continued high level of demand for imports likely to be generated by their programmes of economic development. The UK in this connection has been extended the right, effective immediately, to give special assistance to its colonial territories which depend largely on the U.K. market, through actions which would otherwise have been inconsistent with the provisions of the Agreement. These rights will apply only in cases where

the industry or branch of agriculture of the colonial territory only would be benefited. As regards cases where a conflict might arise between action required under the U.S. Legislation and the provisions of the Agreement dealing with quantitative restrictions and additional charges on imports, the Contracting Parties adopted a decision, effective forthwith, permitting the U.S.A. to apply measures under Section 22 of the United States Agriculture Adjustment Act.

A meeting of the Commonwealth Prime Ministers was held in February 1955 in London. The Prime Ministers reaffirmed their support to the proposals for a collective approach towards a multilateral system of trade and payments which were formulated by the Commonwealth Economic Conference of 1952. They noted the satisfactory progress made towards the attainment of economic strength and stability in the sterling area as a whole, but recognised the continuing need for further development of economic resources and earning power throughout the Commonwealth.

During 1954, the volume of the International Monetary Fund transactions in respect of sale of currencies declined as compared to 1953 because of the generally strong payments position of the member countries. Only $62.5 million worth of currencies were sold during 1954 as compared to $229.5 million during 1953. The Fund received $210 million during 1954 on account of repurchases of national currencies against dollars. A few of the Fund's transactions during the year indicated a more liberal attitude in its lending policy. Both in respect of its exchange transaction with Colombia in December 1954 and of the stand-by facilities granted to Peru and Mexico in February and April 1954, respectively, the Fund granted a waiver (under Article V, Section 4, of the Articles of Agreement) by permitting them to draw in one year beyond 25 per cent of their respective quotas. For the first time, a stand-by agreement for a period longer than six months was made with Peru in February 1954 and has been further extended upto February 1956 as no drawing under this agreement was made by the Peruvian Government. Similarly, the stand by agreement concluded with Mexico in April 1954 was extended upto October 1955.

The Executive Board of the Fund amended Rule F-4 on October 15, 1954. According to this amendment, for transactions in gold by a member the margin above and below par value shall be, at the option of the member, either (*a*) one quarter of one per cent plus certain charges to be paid for effecting the transfer of gold, or (*b*) one per cent which shall be taken to include all of the charges set forth in (*a*). Originally this amendment was to be effective until November 15, 1954. By another Executive Board decision on November 5, 1954, this amendment was to continue to be effective even after November 15, 1954.

The new loans granted by the International Bank for Reconstruction and Development increased from $257 million in 1953 to $283 million in 1954. There was also a sharp increase in the outflow of long-term private capital from the U.S.A. and Switzerland. The U.S. private capital outflow increased from $544 million during 1953 to $932 million during 1954, while the outflow from Switzerland increased from Sw. Fr. 226 million to Sw. Fr. 397 million during the same period. The U.K.'s overseas investments, however, declined from about £200 million in 1953 to less than £152 million during 1954. The U.S. military and economic aid also declined during 1954 as compared to 1953. The economic aid declined

from $1,813 million during 1953 to $1,571 million during 1954. Military aid declined from $4,281 million during 1953 to $3,137 million during 1954. With regard to long-term U.S. Government capital, there was actually an inflow into the U.S.A. of $205 million during 1954 because of large loan repayments by other countries.

For the fiscal year 1955-56, President Eisenhower has asked the Congress for $3.5 billion for global aid, of which he proposes to set aside $200 million for the establishment of a 'President's Fund for Asian Economic Development'. According to the President, his Asian programme would encourage private overseas investment and private enterprise abroad, foster and increase co-operative effort and emphasise loans rather than grants wherever possible.

The General Assembly of the United Nations passed in December 1954 by a large majority in each case resolutions regarding the proposed Special United Nations Fund for Economic Development and the proposed International Finance Corporation. In both these resolutions, it expressed the hope that these institutions be established as soon as practicable. The resolution regarding the International Finance Corporation further requested the IBRD to prepare draft statutes to govern the Corporation, to present the draft to the member Governments of the IBRD for discussion and to take steps to bring about agreement among its members on the draft statutes.

PART II

INDIAN
CURRENCY AND FINANCE

INTRODUCTION

Economic developments in India during 1954-55 were marked by a considerable expansion in industrial output, a substantial increase in money supply and a decline in prices along with enlarged budgetary deficits, a small surplus on the external account and a better flow of savings. The growth in the budgetary deficits of the Central Government and the States indicated the quickened pace of developmental expenditure which partly made up for the relatively slow progress in the previous three years. Nevertheless, there was no evidence of an emergence of inflationary pressures, and the Indian economy made considerable progress during the year with a measure of overall stability. A better balance between aggregate demand and aggregate supply seems to have been achieved, towards which the further relaxation of controls over a wide sector was a contributory factor.

Two disquieting features were the sharp fall in agricultural prices and the continued seriousness of unemployment, notably among 'white-collar' workers. The fall in agricultural prices may not continue indefinitely, for, the supply position in 1954-55 was assisted by a run of three good monsoons, which is unusual, and by dishoarding which followed the virtual elimination of controls over foodgrains early in the year. Further, once the fall had begun, prices were further depressed by small cultivators trying to maintain their income by increasing their supplies to the market. To some extent, the recent decline in prices appears to be a corrective to the earlier high levels ; and a lower level of foodgrain prices provides a better base for rapid economic development. But a steep decline, such as tended to occur in some commodities, is liable to cause widespread distress and, particularly if it is due to temporary causes, to lead to some avoidable distortions in the pattern of production ; it therefore called for State intervention to smoothen extreme fluctuations in the prices of a few agricultural commodities. To meet the problem of unemployment, labour-intensive schemes were added in 1953-54 to the original Five-Year Plan ; during the year under review special steps were taken to stimulate the expansion of small-scale and cottage industries. The emphasis in the second Five-Year Plan now in the process of formulation is on the creation of as many extra jobs as possible to relieve both unemployment and under-employment.

Industrial production in 1954 was 8 per cent higher than in 1953 which was itself 5 per cent higher than in 1952; it has shown a rising trend since 1950 and gone up by about 40 per cent since the inauguration of the Five-Year Plan. The growth of industrial output during the year was assisted, among other factors, by adequate supplies of raw materials and the continued improvement in labour-management relations. The rise in industrial production was spread over several industries and in both the public and private sectors. All the major industries, except sugar, showed an advance ; the newer ones made some headway also. Some of the industrial problems which engaged Government's attention during the year were the fuller utilisation of existing capacity, the establishment of new units for achieving higher production, and provision of finance to medium and small-scale industries. In 1954, 371 licences were granted in terms of the Industries (Development and Regulation) Act, 1951, mainly for the setting up of new undertakings or substantially expanding existing undertakings. In the public sector of industry, a notable development was the conclusion of a preliminary agreement between India and the U.S.S.R. for the setting up in Bhilai (Madhya Pradesh) of an integrated

steel plant, with an initial capacity of 1 million tons. In the private sector, Government's policy continued to be one of encouraging and assisting private enterprise and of creating and maintaining a favourable climate for its growth, within the framework envisaged in a mixed economy. As a preliminary for extending facilities for medium-term and long-term finance to small, medium and large-scale industries, the institutional set-up was considerably strengthened during the year through the establishment of officially-sponsored National and State Corporations as well as through a private corporation, the Industrial Credit and Investment Corporation of India, Ltd., with which foreign private capital is also associated.

Government's industrial policy during 1954-55 continued broadly to conform to the basic principles and objectives laid down in the Statement on Industrial Policy of April 1948. This policy, which was generally endorsed by the Planning Commission in its Final Report published in December 1952, accepted a 'mixed economy' as a suitable basis for industrial development of the country, and State regulation of the private sector of industry as a corollary to planned development. In December 1954, the industrial policy of the Government was reconsidered in the *Lok Sabha* in a debate on economic policy, and found to be generally in conformity with the earlier Statement. It was further decided that the objective of Government's economic policy should be to establish "a socialist pattern of society" and that towards this end the tempo of economic activity in general and of industrial development in particular should be stepped up to the maximum possible extent.

Agricultural production showed a record increase during 1953-54, the estimated output of foodgrains surpassing the target fixed for the Five-Year Plan by nearly 4½ million tons. For 1954-55, the output of foodgrains is not expected to be much below the previous year's level, but other agricultural production—cotton, tea, sugarcane and oilseeds—is expected to be higher ; hence, total agricultural output in 1954-55 will probably be around the peak level reached in 1953-54. The overall food situation continued to remain satisfactory, with the food reserve at 1.6 million tons. Imports of foodgrains have been drastically reduced so that the pressure on foreign exchange reserves from this source has materially diminished. The problem of falling foodgrain prices, to which reference was made earlier, was met by limited price support. The announcement of such support first for wheat and then for other commodities from July 1954 helped to slow down their decline. However, the actual support extended by the State Governments, with whom the implementation of the policy rests, was small.

In line with higher output, the need for larger private finance on the relaxation of controls and the increasing tempo of economic development, money supply showed a substantial rise of Rs. 124 crores or 7 per cent during 1954-55 ; in the previous year, it had risen by Rs. 72 crores. The increase stemmed mainly from two factors, namely, the Union Government's budgetary deficit and the growth in bank credit. Open market operations of the Reserve Bank, however, tended to curtail money supply to some extent. During the greater part of the year, there was a general broadening of the demand for funds, which was met by banks without any undue strain on their resources on account of the appreciable growth in bank deposits as well as the larger volume of seasonal finance made available by the Reserve Bank. The expansion in the resources of the banking system

would indicate that the post-Partition trend of deposit contraction has probably given place to a new phase of expansion under the impetus of development expenditure and deficit-financing. The decline in prices would indicate that the expansion in money supply in 1954-55 was far from being inflationary.

In the field of rural finance, a significant development during the year was the publication of the General Report of the Committee of Direction of the All-India Rural Credit Survey. In its Report, which is now under Government's consideration, the Committee has formulated an Integrated Scheme of Rural Credit (*vide* Appendix I). The need for branch expansion of commercial banks for the mobilisation of savings as well as the extension of credit has also been long and widely felt. To leave it to private banks to embark on new branches on an extensive scale would put a strain on their ability to declare dividends to shareholders. The Committee of Direction, therefore, suggested, as part of their Integrated Scheme, the establishment of a State Bank of India which would take over the Imperial Bank of India and certain other State-associated banks. Government have accepted this recommendation and have since enacted the necessary legislation to set up a State Bank which will in the first instance take over only the Imperial Bank of India. In the short run, the State Bank, which will commence functioning on July 1, 1955, will provide much more liberal and extensive remittance facilities and embark on a scheme of considerable branch expansion ; later with the development of warehousing and adequate marketing facilities, it is expected it will also help in vastly enlarging the sources of rural finance The Reserve Bank's assistance for the financing of agriculture will continue to be disbursed through the apex co-operative banks.

Another important development during the year, in the sphere of public finance, was the publication of the Report* of the Taxation Enquiry Commission, which contains far-reaching recommendations for widening and deepening the tax structure, with a view to raising finance for developmental purposes without jeopardising investment and employment in the private sector. This objective is to be achieved through increases in the rates of income and commodity taxation as well as an extension of their coverage both at the Centre and in the States, and through adjustments in the scheme of taxation, including reduction in its level at points, with a view to stimulating capital formation and development of productive enterprise. A beginning in the direction of implementing the Commission's recommendations was made this year, with a provision for increases in taxation totalling about Rs. 13 crores in the Union Government's budget for 1955-56.

The Indian capital market reacted well to the general improvement in the country's economy. Gilt-edged were firm during the year ; equities were buoyant in the first half of the year but later shed a part of the earlier gains. The response to Government as well as private issues continued to be encouraging.

The balance of payments position showed a smaller surplus on current account of nearly Rs. 4 crores during the calendar year 1954 (the latest full year for which data are available) in comparison with Rs. 59 crores in 1953, but at a much higher level of trade. This sizeable reduction in the payments surplus was mainly a

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* For a summary of the Report, see Appendix II.

consequence of the larger volume of imports following the intensification of the rate of development, and occurred despite an 8 per cent improvement in the terms of trade. Region-wise, while the surpluses with the sterling area (excluding Pakistan), the dollar area and the rest of the non-sterling area other than the OEEC were reduced, the deficit with the OEEC countries widened further. With Pakistan, the last year's small deficit turned into a moderate surplus.

In the field of labour welfare, further progress was made during 1954-55 in the implementation of the two major schemes initiated by Government, *viz.*, the Employees' State Insurance Scheme and the Employees' Provident Fund Scheme. The former was extended to cover several centres including Nagpur, Indore and Greater Bombay, the total number of workers now covered under the scheme being over 6 lakhs. As regards the latter, proposals are under consideration for extending the scheme to new industries, particularly plantations and oils.

The programme of community development (inaugurated in October 1952) and national extension service (inaugurated in October 1953) continued to play a significant part in the social and economic transformation of the rural life of India. The aim of community development and national extension service is to secure all-round development of the rural areas through a rapid expansion in food and other agricultural production, development of cottage and small-scale industries, improvement of health and sanitation, provision of housing facilities, promotion of educational and other social welfare activities, etc. By the end of 1954-55, nearly 90,000 villages and 55 millions of the rural population were to be covered under the programme of community development and national extension service. A feature of the programme is the increasingly active participation of the people, their contribution in cash and other forms upto the end of 1954-55 amounting to over Rs. 10 crores, as against an expenditure of Rs. 20·5 crores by Government.

II. PRODUCTION

Agricultural Production.—Agricultural production touched a record level in 1953-54 and was 11 per cent higher than in the previous year (*vide* Statement 13). The increase was shared by all commodities, except jute and sugarcane whose respective outputs were nearly a third and a twelfth below their achievements in 1952-53. The output of foodgrains rose so substantially as to exceed the planned target of 61·6 million tons by 1955-56 by 4·4 million tons, that of oilseeds also surpassed the target of 5·5 million tons, while that of cotton progressed according to schedule rising by 35·2 per cent over 1950-51 as compared with the planned increase of 42 per cent by 1955-56. The increase of about 12 million tons in the output of foodgrains in 1953-54 as compared with the position obtaining on the eve of the Plan is attributable partly to favourable weather conditions and partly to the gathering momentum of efforts initiated under the Plan. These efforts included, *inter alia*, the construction of major and minor irrigation works, the spread of improved techniques of farming (such as the Japanese method of rice cultivation), the intensification of the land reclamation programme (the Central Tractor Organisation reclaimed an area of 2·88 lakh acres in 1953-54 which was the highest in 7 years) and an additional programme for sinking tube-wells.

Final estimates of agricultural production in 1954-55 are available in respect of jute, rice, jowar, bajra, maize, ragi, groundnut, sesamum and castorseed. The output of jute was placed at the low level of 1953-54 owing to damage caused by floods. Although the production of rice for 1954-55 is placed 12 per cent below last year's, the total output of foodgrains is not expected to be much below that of the preceding year since the acreage under other cereals and pulses is reported to be almost equal to the previous year's. The output would probably have exceeded the 1953-54 level by a comfortable margin, but for unfavourable weather conditions in certain parts of Orissa, Bihar, West Bengal and Assam where damage to crops caused by either floods or drought is estimated at about Rs. 110 crores. Sugarcane production (second estimate) is placed at 12·7 per cent above last year's; the increase in cotton (fourth estimate) is of the order of 11 per cent; and oilseeds production is also likely to be larger since the increase in the two major oilseeds, groundnut and sesamum, amounts to 7 per cent and 7·2 per cent (final estimates), respectively. Hence, total agricultural production will probably be around the peak level reached in 1953-54.

Production of Agricultural Commodities, 1953-54

	Production targets under the Five-Year Plan		1953-54		
	Target for 1955-56	Percentage increase over 1950-51 (base year)*	Production	Percentage increase (+) or decrease (—) over the base year	Percentage increase (+) or decrease (—) over 1952-53
Foodgrains (million tons)	61·6	14	66·03	+22·2	+13·3
Sugarcane („)† ..	6·3	12	4·61	—18·0	— 8·1
Oilseeds („) ..	5·5	8	5·59	+10·0	+20·0
Cotton (lakh bales) ..	42·3	42	39·35	+35·2	+23·2
Jute („)	53·9	63	31·29	— 4·7	—31·9

* For foodgrains, the base year is 1949-50.

† In terms of raw sugar.

(1) Foodgrains.—The expanded output of foodgrains (cereals and pulses) in 1953-54 was mainly due to cereals which accounted for no less than 6·9 million tons of the total increase of 7·8 million tons (*vide* St tement 14 and Graph 3). The performance of cereals was all the more noteworthy since production went up by 14 per cent, although the acreage increased by only 3·6 per cent. Among cereals, rice (4·6 million tons) and wheat (0·4 million tons) together accounted for an increase of 5 million tons ; jowar, maize, bajra and ragi also recorded some increases, but barley showed a small decrease. The output of pulses was also higher than in the previous year.

Schemes under the Grow More Food programme were continued in 1954-55, with greater emphasis on the use of fertilizers and improved seeds and provision of better irrigation facilities, and with much larger Central assistance (Rs. 38·71 crores, revised estimates) than in 1953-54 (Rs. 28·84 crores). Supported by the Union Government's scheme to make sulphate of ammonia available to cultivators at reduced prices, consumption of this fertilizer increased rapidly from 2·76 lakh tons in 1952 to 4·27 lakh tons in 1953 and to about 5·5 lakh tons in 1954. Owing to the encouraging resul s of the Japanese method of paddy cultivation, the target area under it was extended from 4 lakh acres in 1953-54 to 20 lakh acres in 1954-55.

Scarcity conditions due to drought or floods prevailed during parts of the year in certain areas of Bombay, Andhra, Rajasthan, Madras, Madhya Pradesh, Vindhya Pradesh, Assam, West Bengal, Bihar, Orissa and Eastern U. P. The Central and the State Governments took prompt measures to relieve distress in the affected areas. The Central Government undertook to give the State Governments, by way of grants, 50 per cent of the actual expenditure incurred by them on gratuitous relief upto Rs. 2 crores, and 75 per cent of the expenditure incurred by them in excess of this amount. In addition, the States were promised loans of 50 per cent of the expenditure actually incurred by them on relief works.

With the improvement in foodgrains production, the policy of progressive relaxation of food controls initiated in the middle of 1952 was steadily pursued till it culminated in the restoration of an almost free market by July 1954. Gram and coarse foodgrains were virtually decontrolled by January that year. By July 10, rice was completely decontrolled and procurement and statutory rationing were given up. As regards wheat, Government formed two 'wheat zones' in May 1954 and another one in D cember ; wheat was allowed to move freely within each zone but inter-zonal movement was prohibited. However, with the prospects of a good wheat crop, these zonal restrictions were removed in March 1955. Similarly, manufacture of 'fines' from indigenous wheat, which had been prohibited for several years, was pern itted during the year.

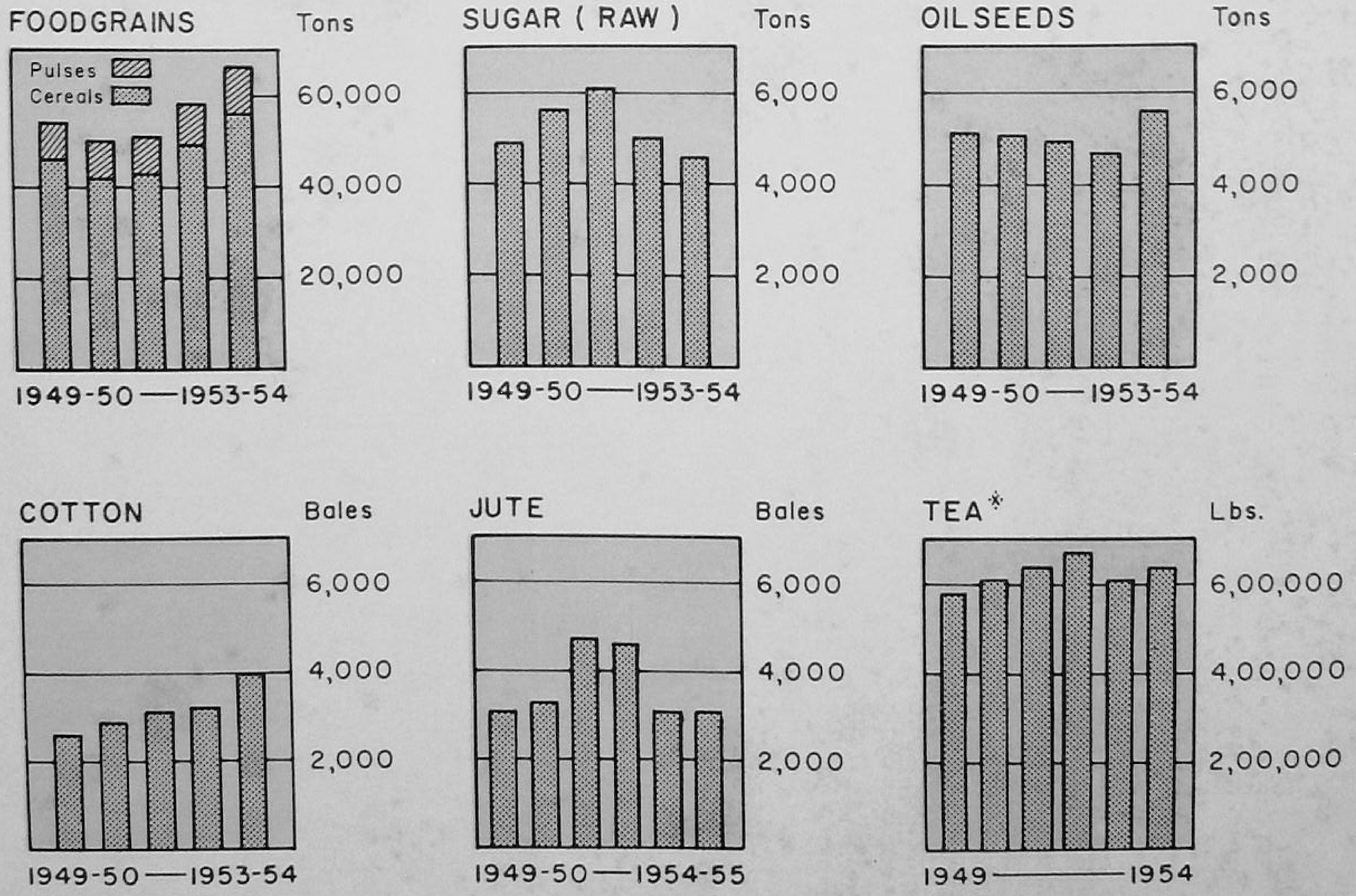
In order to safeguard the food position in the coming years, the Central Government decided in 1954 to maintain an emergency food reserve ; at the end of that year, stocks accumulated for this purpose amounted to 16 lakh tons. The reserve was built up, partly from rice imported from Burma and partly from the stocks of rice which the State Governments had acquired prior to decontrol in July 1954.

(2) Other Agricultural Products.—(a) Cotton : Measures taken under the Cotton Development Programme, such as extension of irrigation facilities to

GRAPH 3

PRODUCTION OF PRINCIPAL AGRICULTURAL COMMODITIES IN INDIA

(000 omitted)



* Official estimates are available upto 1952 only Figures for 1953 and 1954 relate to unofficial estimates

cotton growers, grant of loans to the cotton-growing States for the purchase of improved cottonseeds and fertilizers, subsidy on cottonseeds and appointment of cotton extension staff for giving technical advice to growers, coupled with timely and adequate rains at the time of sowing, facilitated an increase in acreage under cotton in almost all the cotton-growing States. Weather conditions during the growing period also continued to be favourable. As a result, the production of cotton, which has been steadily going up in India since the Partition, increased substantially from 31·9 lakh bales in 1952-53 to 39·4 lakh bales in 1953-54 (*vide* Statement 15), and is expected to go up by another 11 per cent in 1954-55.

The staplewise breakdown of cotton output (*vide* Table below) points clearly to the fact that the increase in production has been mainly in the long staple varieties (7/8″ and above), in respect of which the country is in short supply and has to depend upon imports to a certain extent. Since 1950-51 when the Cotton Development Programme was initiated, the pro-

Staplewise Production of Cotton

(In Lakh Bales)

Staple length	1950-51	1951-52	1952-53*	1953-54*
Long staple (7/8″ and above)	6·84 (23·0)	9·18 (29·3)	9·00 (28·8)	13·65 (34·7)
Medium staple (above 11/16″ and below 7/8″) ..	14·48 (48·7)	12·23 (39·0)	13·66 (43·6)	16·23 (41·2)
Short staple (11/16″ and below)	8·39 (28·3)	9·92 (31·7)	8·65 (27·6)	9·47 (24·1)
Total	29·71 (100·0)	31·33 (100·0)	31·31 (100·0)	39·35 (100·0)

Note :—Figures in brackets indicate the percentage to the total. * Subject to revision.

duction of long staple cotton has nearly doubled, amounting to 13·7 lakh bales in 1953-54 ; concurrently imports of this variety of cotton which amounted to 12·4 lakh bales in 1951-52, were reduced to 6·9 lakh bales in 1953-54. Since self-sufficiency in cotton upto 1-1/16″ staple has been achieved, imports of cotton below that staple length are not permitted. Exports of cotton continue to be regulated by the quota system, being restricted to cotton of staple length 25/32″ and below. Restrictions on the internal movement of cotton were removed in December 1954 ; this was followed in February 1955 by the abolition of the quota system of allocation of cotton to mills. The only form of control which is now retained relates to the fixation of 'floor' and 'ceiling' prices under the Cotton Control Order, 1950.

(b) Jute : The area under jute in 1954-55 was 12·73 lakh acres and jute output 31·53 lakh bales ; the corresponding partially revised estimates for 1953-54 are 11·96 lakh acres and 31·29 lakh bales. Increases in area were reported by almost all the jute-growing States; but the damage to production, caused by floods in Assam and West Bengal at growing time, offset to a great extent the increase registered in Orissa and Uttar Pradesh.

The Jute Enquiry Commission, which was appointed by the Government of India in August 1953 to make a comprehensive enquiry into the factors affecting the production and marketing of raw jute and jute goods and the nature and effects of speculation in this trade, submitted its Report in March 1954. The Commission's recommendations that the objective of the 'Grow More Jute Campaign' should be the attainment of relative rather than absolute self-sufficiency, and that the efforts should be directed towards intensive cultivation rather than cultivation on a widely dispersed basis, have been accepted. The Government have also accepted the view of the Commission that the export of raw jute even as a measure of price support should not be permitted at present.

In accordance with the recommendations made by the Expert Committee on Quality of Jute, which were endorsed by the Jute Enquiry Commission, increasing attention is now being paid to improving the quality of jute. In Assam, a survey of areas suitable for growing good quality jute has been carried out and the Governments of Bihar and Orissa have each decided to set up a seed multiplication farm. A 'nucleus' seed multiplication farm will also be set up under the control of the Indian Central Jute Committee.

(c) Sugar (raw) : The output of sugarcane (in terms of raw sugar) declined from 5·0 million tons in 1952-53 to 4·6 million tons in 1953-54, owing to a fall in the area under sugarcane, scarcity of rain, inadequate supply of water at the irrigation sources and damage to the standing crop by floods. The slight increase in production of sugarcane in Andhra, Bombay and Madras was more than offset by the decline in the major sugarcane producing States like Uttar Pradesh and Bihar. The smaller sugarcane crop coupled with a shorter crushing season resulted in a fall in the production of white sugar from 12·97 lakh tons in the 1952-53 season to 10·01 lakh tons in 1953-54.

While the production of factory sugar declined, internal consumption steadily increased. In consequence, imports were stepped up so as to prevent a sharp rise in sugar prices, and at the same time, with a view to obviating continued reliance on large imports of sugar, Government launched several schemes in 1953-54 to increase domestic production. Among these, special mention may be made of schemes for increasing the installed capacity of the industry from 15 to 20 lakh tons, improving yields of cane, giving special facilities for shifting factories to more advantageous areas and encouraging establishment of new sugar factories on a co-operative basis. Production of sugar during the 1954-55 season is expected to rise to 16 lakh tons, in view of an increase in the production of sugarcane and a normal crushing season.

(d) Oilseeds : The total production of the five major oilseeds (groundnut, sesamum, linseed, castorseed and rape & mustard) recorded a substantial increase from 46·6 lakh tons in 1952-53 to 55·9 lakh tons in 1953-54, and thus exceeded the Plan target of 55·0 lakh tons. The increase was accounted for mainly by groundnut and sesamum. Available crop forecasts indicate that the output of oilseeds in 1954-55 might be even higher than the record crop of the 1953-54 season.

(e) Tea : The year 1954 was a period of boom for the tea industry, with rising prices and the high level of external demand due to the increase in world consump-

tion. India's output rose from 608 million lbs. in 1953 to 637 million lbs†. To cope with the increased overseas demand, the export quota for Indian tea was progressively raised from 105 per cent of the standard export quota (or 365·6 million lbs.) in April 1954 to 133·5 per cent (or 465 million lbs.) by January 1955.

(f) Tobacco : In spite of a slight fall in acreage, the production of tobacco during 1953-54 increased to 2·56 lakh tons from 2·41 lakh tons in 1952-53. The rise in production was particularly marked in the States of Bombay and Madras.

Industrial Production.—Industrial production has been steadily on the rise since 1950 (*vide* Statement 16 and Graph 4) ; the general index of industrial production (*base* : 1946=100) touched a new all-time peak of 165·5 in December 1954. Similarly the average index, which had gone up from 105 in 1950 to 135·3 in 1953, increased further to 146·4 in the following year. Industrial output in 1954 was thus 8 per cent higher than in 1953, which was itself 5 per cent higher than in 1952.

Since the inauguration of the Plan, industrial output has increased by about 40 per cent, and there has been a considerable increase both in the number and size of industries. Among the new industries started during the period were those connected with industrial boilers, power presses, flourescent tubes, geared head lathes, motorised bench grinders, roller bearings, fuel injection equipment, etc. The target set out in the Plan has already been exceeded in the case of cotton cloth. Other industries which showed considerable progress included cement, ammonium sulphate, bicycles, sewing machines and several light engineering industries.

The rise in industrial production during 1954 was shared by both capital goods and consumer goods industries. Among the factors contributing to the uptrend in industrial production during the year were greater availability of raw materials, better export offtake as in cotton textiles and jute manufactures, fuller utilisation and expansion of existing installed capacity and the establishment of new units. Labour-management relations also showed a further improvement, the total number of man-days lost in industrial disputes being lower than in the preceding year.

Among the basic industries, production of steel, cement and non-ferrous metals showed a rise. The output of finished steel (1·2 million tons) exceeded the level reached in 1953 (1·0 million tons) but was still below the Plan target (1·6 million tons). Measures designed to step up the output of steel in the private sector included Government's approval for the expansion of the Tata Iron and Steel Company's production capacity by half a million tons and the grant of a loan of Rs. 10 crores to this company for expansion and modernisation. The output of cement reached a new record level of 4·4 million tons from 3·8 million tons in 1953 but was also slightly lower than the target (4·8 million tons) envisaged in the Plan. The improvement in output was facilitated by expansion in capacity and the setting up of additional units. Production of coal in 1954 at 36·8 million tons was a million tons higher than in the previous year. The output in the general engineering industries also recorded impressive increases ; the production of diesel engines more than doubled and that of power transformers and machine tools also rose substantially. Non-ferrous metals recorded a rise in output of 39 per cent, both aluminium and copper showing substantial increases. In the

† Figures relate to unofficial estimates.

chemical and allied industries, excepting soda ash, all the others including ammonium sulphate, liquid chlorine, bleaching powder, bichromates, sulphuric acid, etc. showed rises.

The output of the cotton textile industry, both cloth and yarn, which has been on the upgrade since 1950, made a further advance in 1954. In the mill sector, output of cotton cloth was 4,993 million yards as against 4,878 million yards in 1953 and that of yarn amounted to 1,562 million lbs., as against 1,506 million lbs., representing increases of 2·4 per cent and 3·7 per cent, respectively. The output of cotton cloth exceeded the Plan target of 4,700 million yards for the second year in succession, and was the highest in the history of the Indian cotton textile industry. The improvement in the output may be attributed, *inter alia*, to an adequate supply of raw material and improved demand at home and abroad. The Cotton Textiles Enquiry Committee, appointed by the Union Government in November 1952, to enquire into the various sectors of the cotton textile industry, submitted its Report in September 1954. The salient recommendations of the Committee included, for the hand-loom industry, the conversion of the 12 lakh active handlooms in the country into semi-automatic looms or power looms and, for the mill industry (*a*) the replacement of plain looms by automatic looms, (*b*) the pegging of annual mill production at 5,000 million yards and (*c*) an annual export target of 1,000 million yards. During the year, Government set up an Export Promotion Council to increase, maintain and promote the exports of cotton cloth and yarn.

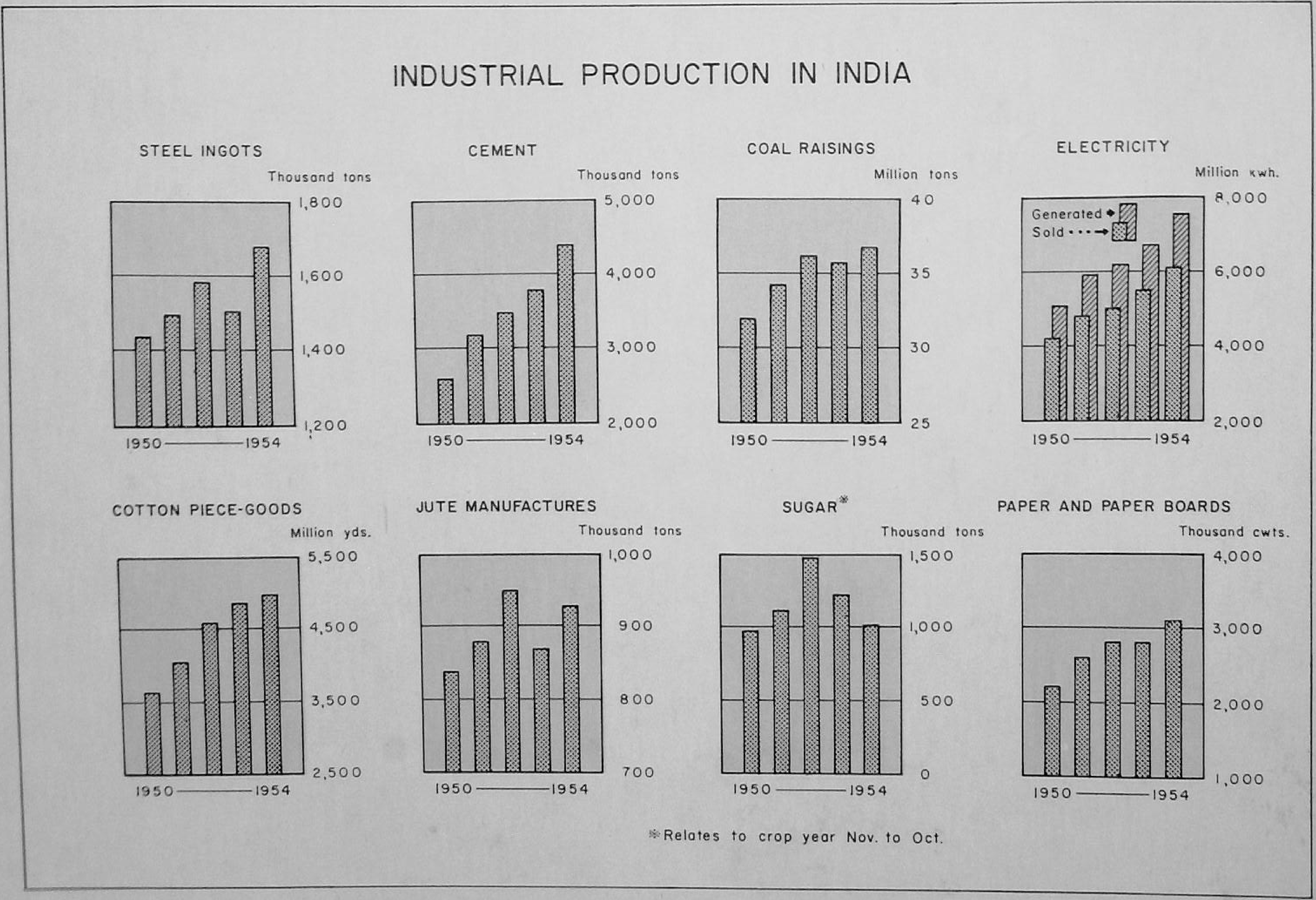
In contrast to a moderate setback in output in 1953, production of jute manufactures in 1954 (928,000 tons) registered an impressive rise of nearly 7 per cent over the previous year. Among the factors which sustained higher output were better supplies of raw material, improvement in export demand and the increase in the working hours of jute mills in two stages from 42½ to 48 hours per week.

A notable exception to the general uptrend in industrial production was provided by the sugar industry, whose output during the 1953-54 season (November-October) declined by 22 per cent from the 1952-53 level and by as much as 33 per cent from the Plan target of 15 lakh tons attained in 1951-52.

Among other industries, while paper and paper products, paints and varnishes, electric lamps and sewing machines recorded substantial increases, the output in salt, matches and woollen manufactures declined. The production of salt, which had exceeded the Plan target during 1953, went down by 15 per cent during 1954, as a result mainly of unfavourable weather conditions and large accumulation of stocks in the factories in 1953.

Special attention was given during the year to diversify the pattern of industry and to develop medium and small-scale industries, with a view to assisting employment in rural areas. On the recommendations of the Ford Foundation Team, Government decided to set up Regional Institutes of Technology, a Marketing Service Corporation and a Small Industries Corporation (since set-up), for small-scale industries. These institutions are intended to assist small-scale industries in improving their techniques and managerial efficiency, procuring credit and finance, marketing products, organising production for Government requirements and promoting

GRAPH 4


INDUSTRIAL PRODUCTION IN INDIA
STEEL INGOTS
Thousand tons
1,800
1,600
1,400
1,200
1950 —— 1954
CEMENT
Thousand tons
5,000
4,000
3,000
2,000
1950 —— 1954
COAL RAISINGS
Million tons
40
35
30
25
1950 —— 1954
ELECTRICITY
Million kwh.
Generated
Sold
8,000
6,000
4,000
2,000
1950 —— 1954
COTTON PIECE-GOODS
Million yds.
5,500
4,500
3,500
2,500
1950 —— 1954
JUTE MANUFACTURES
Thousand tons
1,000
900
800
700
1950 —— 1954
SUGAR*
Thousand tons
1,500
1,000
500
0
1950 —— 1954
PAPER AND PAPER BOARDS
Thousand cwts.
4,000
3,000
2,000
1,000
1950 —— 1954
*Relates to crop year Nov. to Oct.

patterns of development so as to make small-scale industries ancillary to large-scale industries by bringing about co-ordination of production programmes. A Small-Scale Industries Board was also set up to co-ordinate the activities of these institutions and to carry out a programme of development. The development of *Khadi* and village industries and of handicrafts received special attention through the All-India Khadi and Village Industries Board and the All-India Handicrafts Board. The Central Government's assistance to the development of small-scale industries during the year was on a considerably higher scale as compared to the preceding years.

In the public sector, a number of projects were completed and production was commenced in 1954. At the Centre, the Hindustan Machine Tools factory at Bangalore and the Hindustan Cable factory at Rupnarainpur commenced production during the year, while, among State undertakings, the U.P. Government's cement factory and the Madhya Pradesh Government's newsprint factory (NEPA Mills) also started production. Plans were made by the Union Government for the installation of additional capacity for the production of steel. While satisfactory progress was achieved in regard to the establishment of a steel plant at Rourkela (Orissa), steps were taken to set up another modern integrated steel plant, which culminated in the conclusion of a preliminary agreement between the Governments of India and the U.S.S.R. With a view to formulating long-term policies in different fields of industrial development, the Union Government also appointed a number of special committees. These included (1) the Coke Oven Projects Enquiry Committee, to enquire, *inter alia*, into the expansion of coke production, (2) the Heavy Electrical Equipment Project Committee, to enquire into certain aspects of the manufacture of heavy equipment required for generation, transmission and distribution of electric power, (3) a Committee to advise the Government on the desirability of establishing a plant for the manufacture of synthetic oils and (4) the Fertiliser Production Committee to suggest possible locations for the proposed new fertiliser plants.

III. PRICES

Price Trends.—A striking characteristic of the Indian economy in 1954-55 was the steep decline in commodity prices, in contrast with their relative stability in the previous year (*vide* Statements 17 and 18 and Graph 5). The main factor contributing to the downtrend was the increased pressure of supplies resulting not only from bumper crops and growing industrial output but also a larger volume of imports and dishoarding of accumulated stocks consequent on elimination of controls over a wide sector. At the same time, consumer demand failed to keep pace with increased availabilities of certain commodities.

The fall in prices was particularly marked in the case of agricultural commodities. A record output of foodgrains in 1953-54, exceeding the Five-Year Plan target by a comfortable margin and coming after two years of fairly good crops, was its main initial cause. In addition, dishoarding of supplies was encouraged by the elimination of food controls by July 1954. Further, once the fall in prices had started, it was fed by the stream of supplies coming on to the market from small cultivators, who had to reduce their stocks for personal consumption, in order to maintain their income. The fall in agricultural prices is to some extent a corrective to the rather high level prevailing in the past few years. The fall in food prices by lowering the cost of living provides a base for rapid development. Since the decline in prices became fairly serious in some instances, a measure of price support was announced during the year for several commodities, and was in operation in a few States in the case of wheat, jowar, bajra and maize.

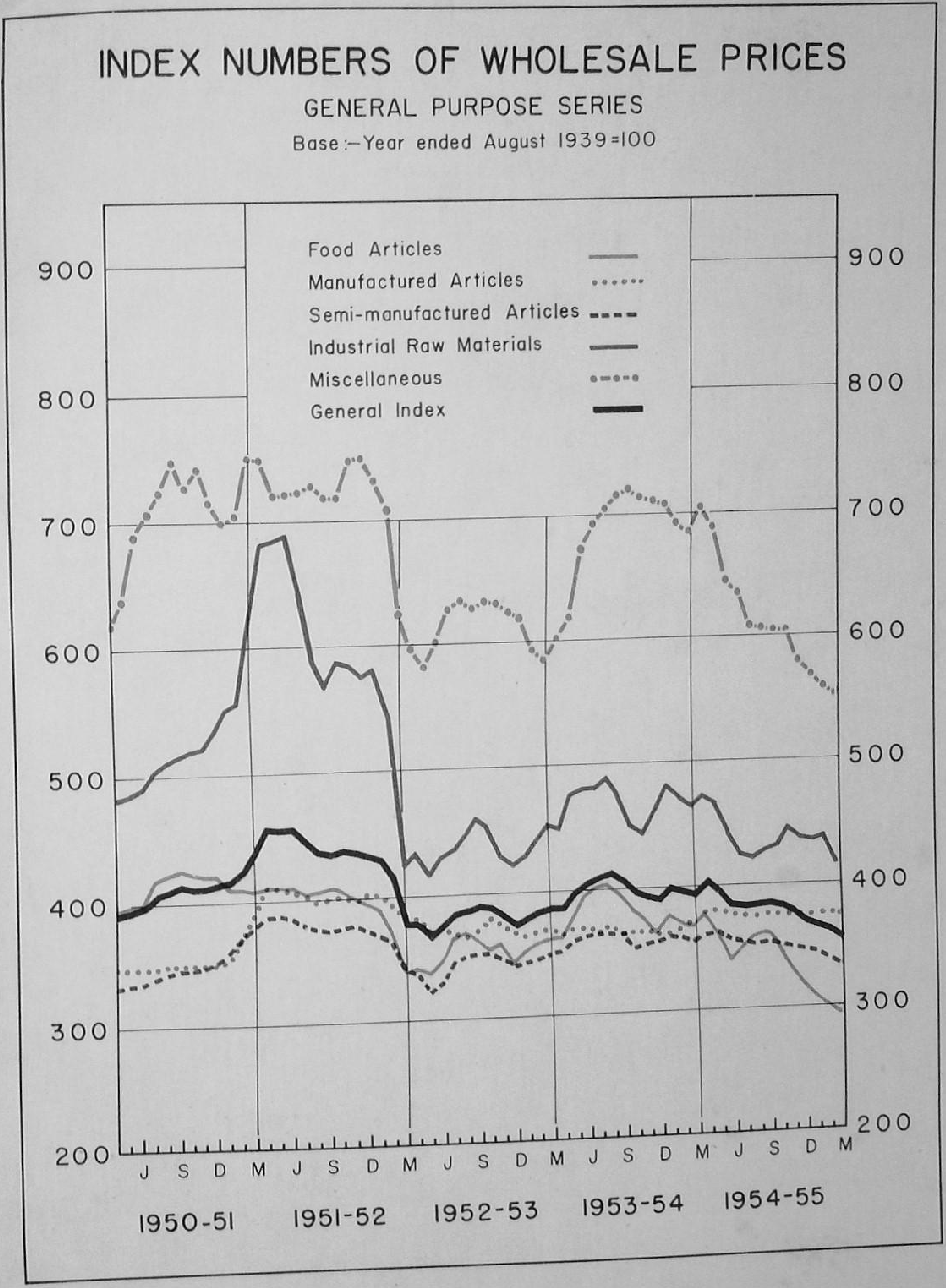
The decline in prices of industrial raw materials was mainly in oilseeds and cotton. Prices of oilseeds declined by 35 per cent and of cotton by 20 per cent. In the case of jute, rubber, and hides and skins, there was, on the other hand, a rise. Manufactured articles kept relatively steady, thus creating a wide disparity between price movements of those articles and of agricultural commodities.

Money supply (*vide* Chapter IV) expanded sharply during the year, accompanied by a substantial increase in bank credit. Despite this increase, prices have declined ; it would thus appear that the increase in money supply took place primarily in response to the growth in economic activity noted in the previous Chapters.

Over the year, the general index of wholesale prices (*base* : year ended August 1939=100) showed a sharp fall of 10.2 per cent, as against a moderate rise of 2.3 per cent in 1953-54 and, throughout, the price indices were lower than in the previous year. The general index for March 1955 was lower than the March 1952 slump figure and the lowest since April 1948. The average for the year as a whole at 377.4 showed a fall of 5.1 per cent, as against a rise of 4.4 per cent for 1953-54.

	March 1954	March 1955	*Percentage change of 2 over 1*	*Average For* 1953-54	1954-55	*Percentage change of 5 over 4*
	1	2	3	4	5	6
Food Articles	371·4	297·0	*—20·0*	384·4	339·8	*—11·6*
Industrial Raw Materials	462·5	412·7	*—10·8*	467·7	436·2	*— 6·7*
Semi-Manufactures	355·8	333·5	*— 6·3*	359·2	350·3	*— 2·5*
Manufactures	373·9	376·3	*+ 0·6*	367·4	377·3	*+ 2·7*
Miscellaneous	686·9	653·3	*—19·4*	686·6	612·4	*—10·8*
General Index	**394·0**	**353·8**	*—10·2*	**397·5**	**377·4**	*— 5·1*

GRAPH 5


INDEX NUMBERS OF WHOLESALE PRICES
GENERAL PURPOSE SERIES
Base:—Year ended August 1939=100
Food Articles
Manufactured Articles
Semi-manufactured Articles
Industrial Raw Materials
Miscellaneous
General Index
900
800
700
600
500
400
300
200
J S D M J S D M J S D M J S D M J S D M
1950-51
1951-52
1952-53
1953-54
1954-55

Within the overall declining trend during the year, price movements showed three broad phases, excluding the small initial rise in the index to 404.4 on April 10, 1954 in continuation of the trend of the preceding six weeks. In the first phase, which lasted for two and a half months from mid-April to the end of June, prices fell by 6 4 per cent to 378.4. The second phase from July to September was one of relative steadiness ; the index moved narrowly and rose by 1 6 per cent to 384 3. In the last phase, covering the second part of the year under review, the down-trend in prices was resumed and the index fell sharply by 9.1 per cent to 349.3 (*vide* Statement 18A.)

The first phase, during which prices fell, was mainly characterized by an excess of current supplies without any significant revival in demand. The downtrend was accentuated by the general dishoarding of stocks by traders consequent on the decontrol of wheat and coarse grains from the beginning of 1954. Government's policy of relieving shortages of certain essential commodities through liberalisation of imports, as for sugar and cotton, and the decision to import 9 lakh tons of Burma rice also had a bearish effect. The slackness in external demand contributed to the downtrend in prices of vegetable oilseeds and oils, black pepper, tobacco-leaf, etc. Wheat prices in particular suffered the steepest decline (31 per cent) under the pressure of heavy seasonal arrivals and, with a view to averting a further fall, the Government of India announced their policy of price support at Rs. 10 per maund early in July 1954. To encourage exports, Government also announced abolition or reduction of export duties on a number of commodities like vegetable oils and oilseeds, black pepper, etc. During this period, 'food articles' registered the largest decline (13 1 per cent), followed by industrial raw materials (8.7 per cent) and the 'miscellaneous' group (8.3 per cent). The fall in 'semi-manufactures' as a whole was relatively small (0 9 per cent). On the other hand, 'manufactures' showed only a nominal decline (0.5 per cent) ; in this group, however, cotton and jute manufactures remained firm, mainly because of the encouraging export offtake.

In the second phase, the declining trend of prices was arrested, and there were even signs of a mild recovery. The general price index showed a net rise of 1.6 per cent to 384.3, the 'food articles' group moving up by 7.2 per cent. Excessive rains raising apprehensions of extensive crop damage together with some buying support at lower levels and the Government's assurance of price support to wheat imparted a measure of strength to prices in general, although oilseeds and tobacco-leaf declined further owing to continued slackness in export demand. The net variations in the group indices for 'industrial raw materials,' 'semi-manufactures' and 'manufactures' were relatively small (around 1 per cent) but there was a further big decline (6.2 per cent) in the 'miscellaneous' group.

In the third and final phase, with the advent of the seasonal arrivals of the 1954-55 crops, coupled with general expectations of larger harvests, prices again declined, particularly of foodgrains, cotton, gur, tobacco-leaf, black pepper and oilseeds. Only raw jute prices provided a major exception, showing a substantial rise of 16.4 per cent due partly to apprehensions of shortages. Prices of manufactured articles remained relatively steady or showed only minor declines. Among the main groups, 'food articles' showed the sharpest decline (19.1 per cent), followed by 'miscellaneous' group (10.2 per cent), 'industrial raw materials' (6.6 per cent), 'semi-manufactures' (5.8 per cent) and 'manufactures' (1.1 per cent).

Meanwhile, Government continued their efforts to arrest the steep fall in agricultural prices and took corrective measures to stimulate external and internal demand, with a view to stabilising prices at reasonable levels.

In July 1954, the Union Government decided to support prices of foodgrains if they fell below levels which were uneconomic for growers. In pursuance of this policy, Uttar Pradesh, Punjab and Rajasthan decided to purchase wheat in case their prices fell below Rs. 10/- per maund. Later, in December, the Union Government decided to purchase from the cultivators jowar and maize at Rs. 5/8 per maund and bajra at Rs. 6/- per maund in specified *mandis* during the current *kharif* season. In January 1955, Uttar Pradesh extended the price support to gram by fixing its floor price at Rs. 6/- per maund throughout the State. At the close of the year under review, price support to coarse grains (jowar, bajra and maize) was in operation in seven States, namely, Uttar Pradesh, Bombay, Madhya Pradesh, Rajasthan, Madhya Bharat, Vindhya Pradesh and Bhopal. In Madras, the Government constituted an *ad hoc* committee for continuously watching prices of rice, bajra and other commodities and for taking prompt measures for stabilising prices.

Trade and fiscal policies were also kept continuously under review and necessary adjustments were made from time to time with the object of relieving the pressure of current supplies through the provision of export outlets. Export incentives were given by the grant of additional export quotas and/or the continuation of free licensing in a number of commodities such as cotton textiles, oils and oilseeds, etc., while permission for limited exports was given in the case of rice, pulses, oilcakes, *gur* and certain wheat products. Also, export duties were either abolished or reduced in the case of some commodities such as cotton, oils and oilseeds, black pepper and rice, while an Indo-Chinese trade agreement was concluded in October 1954 providing for the export of tobacco.

Controls.—With continued improvement in the supply situation and the emergence of surpluses, the progressive policy of decontrol was carried a stage further during the year. In July 1954, the controls in respect of rice were lifted and in March 1955, restrictions on zonal movement of wheat were removed, thus eliminating all controls over foodgrains. The control over movement of cotton was removed in July 1954 with the abolition of the zonal divisions, while distribution controls were suspended early in February 1955. Only price controls on cotton relating to the fixation of 'floors' and 'ceilings' were retained. The 'floor' price for the 1954-55 season for the basic *jarilla* variety was reduced by Rs. 55 to Rs. 495 per candy, which was the same as that prevailing before July 1952. Certain price adjustments in some other controlled commodities were also made ; the issue prices of imported wheat and rice were reduced, while in the case of raw rubber, the ceiling prices were raised in February 1955, with a view to maintaining and increasing output. The maximum price of Group I raw rubber, which was last fixed in October 1952 at Rs. 138 per 100 lbs., was increased by Rs. 12 to Rs. 150 with suitable differentials for other grades. As regards sugar, Government announced in November 1954 that there would not be any statutory control on the price or distribution of sugar, *gur* and *khandsari* during the 1954-55 season, but that 25 per cent of the sugar output would continue to be at the disposal of Government. In regard to sugarcane, the minimum price for the 1955-56 season was left

unchanged at the rates prevailing for the previous two seasons, *viz.*, Rs. 1-7 per maund for gate deliveries and Rs. 1-5 per maund for deliveries at rail centres. However, in order to give the growers an extra price over and above the minimum price, Government announced their decision to apply, for the first time on a voluntary basis throughout India, a formula for linking the price of sugarcane to the price of sugar. This formula, made applicable for the 1953-54 season, has been evolved on the principle that cane growers should receive the same proportion of the net price realised for sugar that the cost of cane bears to the cost of production of sugar in the different regions.

The Jute Enquiry Commission, which was required, *inter alia*, to recommend measures to ensure fair prices for the jute grower as well as to the industry, advised against statutory control of prices and recommended instead the determination of fair prices for raw jute by a Jute Commissioner, assisted by a Jute Board representing various interests. The Government, however, have not accepted this recommendation as they feel that, in the absence of any control, determination of fair prices by an organisation of the kind recommended by the Commission is not likely to be effective in practice.

The powers of the Government of India for control of essential commodities derived mainly from the Essential Supplies (Temporary Powers) Act, 1946.* As the legislative authority to control essential commodities, as exercised under this Act, was due to expire on January 26, 1955, the Constitution (Third Amendment) Bill was passed in September 1954, with a view to vesting Government with the necessary authority. Pending ratification of the Bill by a minimum number of States (nine) as required by the Constitution, the President promulgated on January 21, 1955, an Ordinance *viz.* the Essential Commodities Ordinance, 1955, providing for the continuance in force of the provisions of the Essential Supplies (Temporary Powers) Act, 1946. Later, following the enactment of the Constitution (Third Amendment) Bill, Government introduced the Essential Commodities Bill on March 2 to replace the Ordinance of January 21. The Bill, as finally passed, provides for the control of production, supply and distribution of, and trade and commerce in, essential commodities as mentioned in the Bill.†

As regards control over forward trading in commodities, which had been exercised under the Essential Supplies (Temporary Powers) Act, 1946, the legislative basis of regulation in this behalf was transferred on January 25, 1955 to the Forward Contracts (Regulation) Act, 1952. The latter Act provides for the regulation of forward trading in commodities on an all-India basis. In September 1953, in terms of Section 3 of this Act, the Forward Markets Commission was set up, its functions being (1) to advise the Union Government in the administration of the Act, (2) to keep forward markets under observation, with a view to bringing to the notice of Government important developments in the market and (3) to sub-

* There are also separate Acts relating to specific commodities such as drugs and rubber.

† These are (*i*) cattle fodder, including oil-cakes and other concentrates, (*ii*) coal including coke and other derivatives, (*iii*) component parts and accessories of automobiles, (*iv*) cotton and woollen textiles, (*v*) foodstuffs including edible oilseeds and oils, (*vi*) iron and steel, including manufactured products of iron and steel, (*vii*) paper, including newsprint, paperboard and strawboard, (*viii*) petroleum and petroleum products, (*ix*) raw cotton, whether ginned or unginned and cottonseed and (*x*) raw jute.

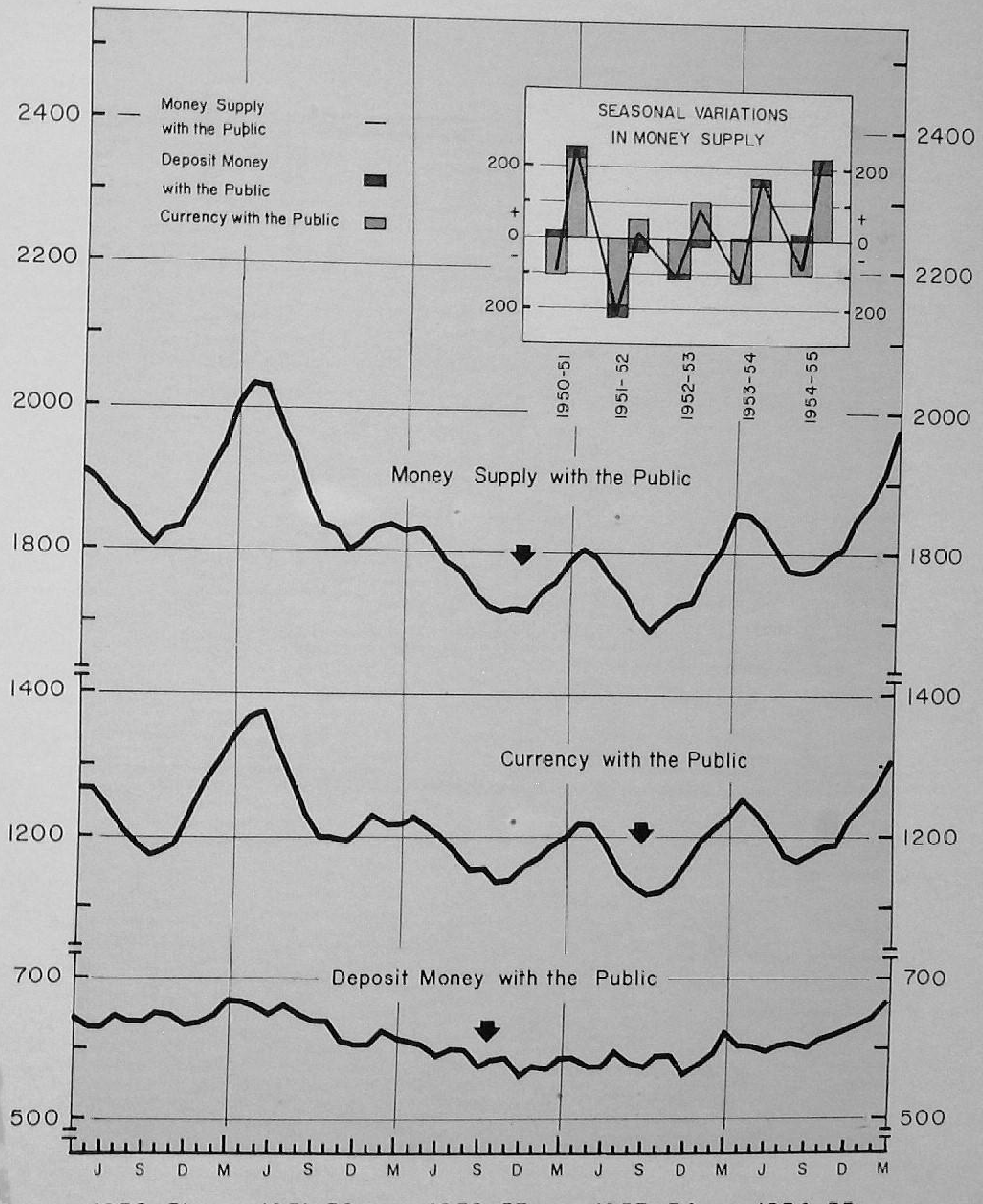
mit to Central Government periodical reports on the operation of this Act. The Commission has so far submitted reports on the application of the Act to (1) cotton, (2) castorseed and castor oil, (3) groundnut and groundnut oil, (4) shellac, (5) linseed and linseed oil and (6) raw jute and jute goods. Of these, except that in regard to raw jute and jute goods, the reports in respect of all other commodities have been accepted by Government.

Cost of Living.—The downtrend in the working class cost of living indices, noticed in the latter half of 1953-54, continued during the year under review. The all-India working class cost of living index (*base* : 1949=100) fell further to 94 by March 1955. This represented a fall of 7 per cent over March 1954 and of 15.3 per cent over the August 1953 peak level (*vide* Statement 19) Almost all important industrial centres witnessed the general downtrend, the decline being specially marked in the case of Ahmedabad, Sholapur, Kanpur, Jabalpur, Jharia, and Hyderabad. The index for Bombay showed an initial rise from 114 in March 1954 to 120 in June, but declined thereafter to 111 by March 1955.

GRAPH 6

MONEY SUPPLY WITH THE PUBLIC *

(IN CRORES OF RUPEES)



* Including Hali Sicca Currency in Circulation

IV. MONEY AND BANKING

General.—Along with the growth in output, and largely sustained by it, was the considerable expansion both in money supply and in banking activity during the year. The removal of physical controls over a wide sector also tended to increase the demands upon the banking system. The faster pace of Government spending on economic development resulted in a larger budgetary deficit, which was one of the main causes affecting monetary circulation. Concurrently, there was a sizeable extension of bank credit. These two factors, offset partially by the rise in time liabilities of the scheduled banks and by the open market operations of the Reserve Bank, provide the explanation for a rise of Rs. 124 crores in money supply with the public in 1954-55, which compares with the increase of Rs. 72 crores in 1953-54 and contrasts sharply with the decline of Rs. 221 crores during the preceding two years. For the first four years of the Plan, there was a net decline in money supply of Rs. 24 crores. The expansion in money supply during 1954-55 has, however, not led to any signs of inflationary pressures and has thus contributed to the achievement of growth with stability.

Resources of the banking system could not but be affected by the budget deficit. The net deposit liabilities of scheduled banks rose by Rs. 94 crores during the year, providing a sharp contrast to only a nominal rise in the previous two years. On these resources, banks were able to extend additional credit to the tune of Rs. 66 crores §, as against only a nominal rise in bank credit of Rs. 6 crores in 1953-54 and a sharp contraction of Rs. 51 crores in the year before. They were also able to build up their investments, mainly in Government securities which showed a rise of Rs. 25 crores during the year.

The seasonal demand for funds was heavier than in the previous year, and, consequently, banks resorted to accommodation from the Reserve Bank on a much larger scale than in 1953-54. The relative tightness in the money market in 1954-55, as compared with 1953-54, resulted in a somewhat higher level of money rates.

Important developments in the field of banking included (1) the publication of the Report of the Committee of Direction of the All-India Rural Credit Survey and, arising from Government's decision on some of its recommendations, the passing of the State Bank of India Bill and of the Reserve Bank of India Amendment Bill, the latter authorising the Reserve Bank to set up two funds—the National Agricultural Credit (Long-Term Operations) Fund and the National Agricultural Credit (Stabilisation) Fund, (2) the decision by the Reserve Bank to treat the shares and bonds of the Industrial Finance Corporation of India and State Financial Corporations and the debentures of land mortgage banks guaranteed by State Governments on a par with Government securities for the purpose of advances to scheduled banks, (3) extension of facilities under the Bill Market Scheme to all scheduled banks in possession of a licence from the Reserve Bank of India, (4) the appointment by the Reserve Bank of India of a Committee to consider the for-

§ Includes the net increase of Rs. 12 crores in foreign bills purchased and discounted in India between May 14, 1954 and March 25, 1955.

mation of a Consortium or Syndicate of banks and insurance companies for under-writing or investing in new issues of shares and debentures of industrial companies, and (5) the extension of certain Currency, Banking and Finance Acts to the merged French establishments.

Money Supply.—The variations in the constituents of money supply since 1951-52 are set out in the Table below.

(Crores of Rupees)

	1951-52	1952-53	1953-54	1954-55	**1951-52 to 1954-55**
1. Currency with the public*	−114·8	− 17·3	+ 30·2	+ 82·3	− **19·6**
2. Demand liabilities (net) of scheduled and reporting non-scheduled and co-operative banks	− 53·7	− 18·7	+ 0·9	+ 49·3	− **22·2**
3. State Government deposits with the Reserve Bank ..	− 1·3	− 5·2	+ 42·7	− 2·3	+ **33·9**
4. Other deposits with the Reserve Bank†	− 6·4	− 3·1	− 1·8	− 5·0	− **16·3**
5 *a*. Money Supply with the public (1+2+3+4) ..	−176·3	− 44·3	+ 72·0	+124·3	− **24·2**
b. Money supply with the public, excluding State Government deposits (1+2+4)	−175·0	− 39·1	+ 29·3	+126·6	− **58·1**

* These figures have been revised to take into account the circulation of *Hali Sicca* currency.
† Excluding balance held on IMF Account No. 1.

Of the total expansion in money supply during 1954-55, Rs. 82 crores was under currency with the public and the balance of Rs. 42 crores under deposit money (*vide* Statement 21). Among the constituent items of the latter, a rise of Rs. 49 crores in demand liabilities of banks was partially offset by a decline of Rs. 2 crores in State Government deposits with the Reserve Bank—an item which in 1953-54 had more than accounted for the increase of Rs. 41·8 crores in deposit money—and by a fall of Rs. 5 crores under 'Other deposits with the Reserve Bank'.

Net borrowings† by the Government from the Reserve Bank amounted to Rs. 104 crores*; this along with the net decline in cash balances makes a total of Rs. 110 crores which represents the impact of the budget deficit on money supply. Credit extended by the scheduled banks, the other main factor contributing to the expansion in money supply, increased by Rs. 66 crores**. The external payments position, as reflected in the net change in foreign assets of the Reserve Bank‡, recorded a deficit of Rs. 23 crores, as against a moderate surplus of Rs. 29 crores in 1953-54, while scheduled banks' time liabilities rose by

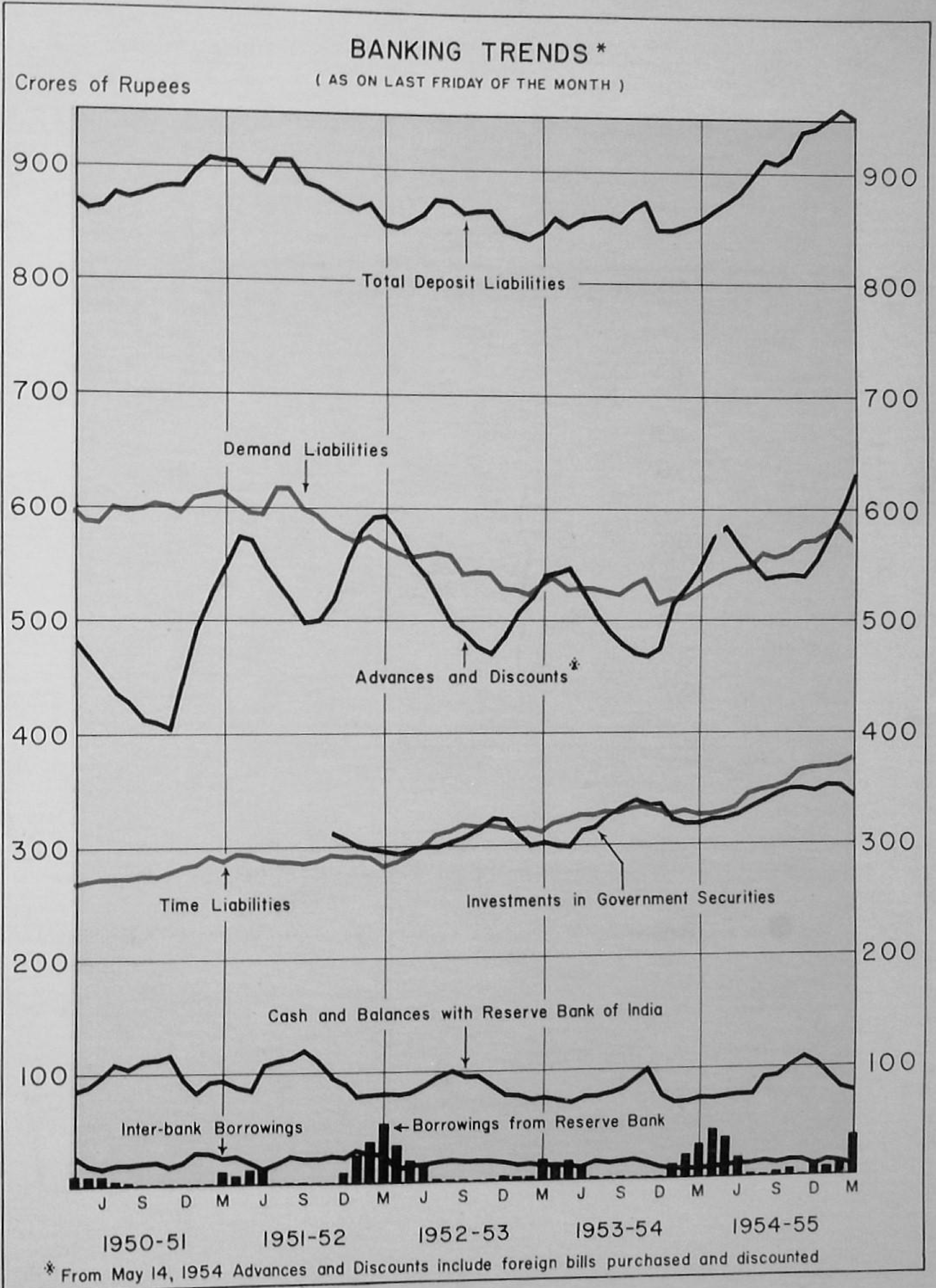
† Relate to the period March 26, 1954 to March 25, 1955.

* Inclusive of Rs. 80 crores on account new *ad hocs* created.

** Includes the net increase of Rs. 12 crores in foreign bills purchased and discounted in India between May 14, 1954 and March 25, 1955.

‡ For purposes of explaining changes in money supply, movements in the foreign assets of the Reserve Bank of India are of primary interest, as they reflect capital movement and currency transfers, besides balance of payments surplus or deficit on current account.

GRAPH 7



* Relate to scheduled banks only

as much as Rs. 48 crores as compared with Rs. 16 crores in the previous year. The Reserve Bank's open market operations tended to curtail money supply to some extent, as they resulted in net sales of securities (Rs. 31 crores) to the public.

The seasonal trends in money supply during the year under review continued to conform to the usual pattern, but there was, for reasons mentioned earlier, a significant change in the magnitude of the impact. Thus, while the impact of the 1954 slack season on money supply was mild, that of the 1954-55 busy season was very pronounced (*vide* Statement 22 and Graph 6).

In the 1954 slack season, the contraction in money supply amounted to only Rs. 84 crores ; it was smaller—notwithstanding the substantial receipts accruing to Government on account of the National Plan Loan which was on tap almost throughout the slack season period—than in any comparable period since 1948 and considerably lower than the preceding busy season expansion of Rs. 171 crores. This was in contrast to the experience of the previous year, when the slack season contraction had amounted to Rs. 123 crores and was substantially larger than the expansion of Rs. 82 crores in the preceding busy season. In consequence, the volume of money supply at the commencement of the 1954-55 busy season was Rs. 87 crores higher than at the commencement of the preceding busy season, and during the season from September 25, 1954 to May 6, 1955, it expanded further by Rs. 232 crores. This expansion was Rs. 60 crores larger than in the preceding busy season and approximated to the post-Korean expansion of Rs. 247 crores noticed in the 1950-51 busy season ; it was partly seasonal, but partly also associated with the higher level of Government spending.

Money Market Trends.—The 1953-54 busy season, which began in November 1953, gathered further momentum during the first five weeks of the year under review, and scheduled bank credit touched a peak of Rs. 576 crores on May 7, 1954 (*vide* Statement 23 and Graph 7). The increased demand for funds was met partly through borrowings from the Reserve Bank and the Imperial Bank and partly by reducing other assets. On May 7, outstanding borrowings from the Reserve Bank amounted to Rs. 54 crores, of which Rs. 30 crores were borrowings under the Bill Market Scheme, the highest since its inauguration in January 1952. For the busy season as a whole, net deposit liabilities of scheduled banks, in contrast to the downtrend during the two previous busy seasons, increased nominally by Rs. 1·6 crores, but their investments in Government securities declined by Rs. 14 crores. There was the usual seasonal rise in money rates ; the call money rate quoted by the larger scheduled banks, for instance, hardened from the November-end level of ¾-1 per cent to 2¾-3 per cent on December 25, 1953 and remained virtually unchanged at that level till the end of May 1954, and the three months' deposit rate firmed up to 3 per cent on February 23, 1954, remaining almost unchanged till May 12.

The seasonal downtrend in scheduled bank credit lasted from May 7 to October 15 ; during this period scheduled bank credit contracted by Rs. 6[illegible]† crores to Rs. 536 crores, or by only half the expansion during the preceding busy

† Taking into account a rise of Rs. 4·6 crores in foreign bills purchased and discounted in India between May 14 and October 15, 1954.

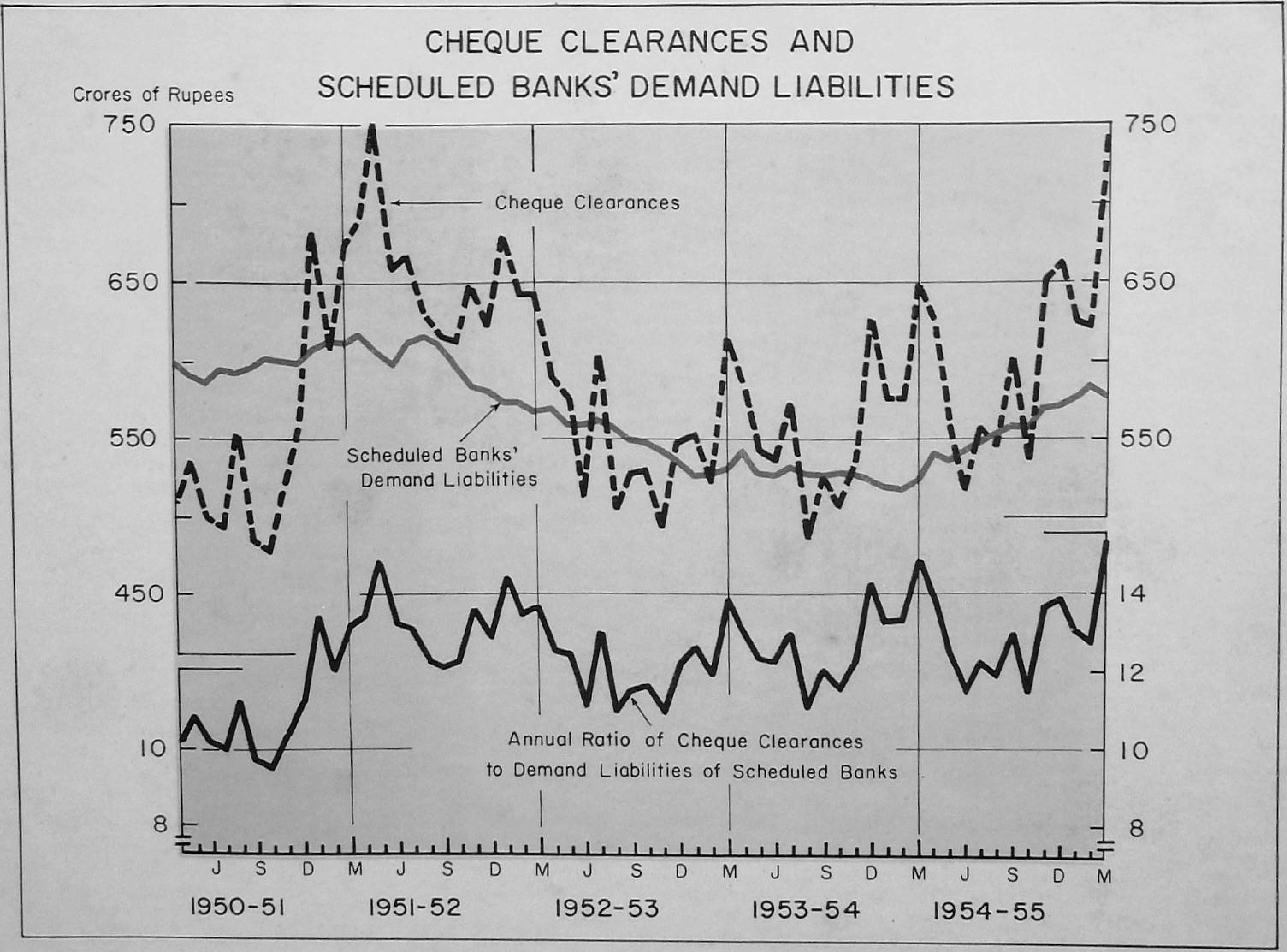
season. The earlier termination of the slack season trend in bank credit, however, did not produce corresponding changes simultaneously in other items. Borrowings from the Reserve Bank touched the slack season low of Rs. 93 lakhs only on November 19 (*vide* Statement 25) ; by this date borrowings under the Bill Market Scheme had also been fully repaid and scheduled banks' cash balances touched the peak level of Rs. 110 crores on December 3. Net deposit liabilities of scheduled banks recorded a rise during the slack season and for a short while even after the fresh busy season had started ; they stood at Rs. 926 crores on December 3, showing an increase of Rs. 77 crores over May 7, 1954, which was more or less evenly shared by demand and time liabilities. The rise in deposit liabilities was accompanied by a rise of Rs. 29 crores in investments in Government securities to Rs. 352 crores on November 12, which was the highest level for any week since November 1951*. Money rates declined during the slack season to the pre-busy season levels. The call rate quoted by the larger scheduled banks eased to ¾-1 per cent on November 29, and the three months' deposit rate ruled around 2¾-3 per cent till the second week of December.

From mid-October, scheduled bank credit commenced a fresh seasonal advance and by April 8, 1955 expanded by Rs. 109 crores to the all-time peak level of Rs. 645 crores. The increased demand for credit was met partly from the increase in their own resources and partly from borrowings from the Reserve Bank of India and the Imperial Bank of India. Outstanding borrowings from the Reserve Bank amounted to Rs. 37 crores at the end of March 1955 (as against Rs. 31 crores a year ago), of which outstanding advances against usance bills accounted for Rs. 28 crores. Bills purchased and discounted by the Reserve Bank rose to Rs. 10 crores at the end of the year which almost equalled the level a year earlier. Between October 15, 1954 and M.rch 25, 1955, the net deposit liabilities of the scheduled banks increased further by Rs. 41 crores—an unusual feature—to Rs. 943 crores, as against an expansion of Rs. 13 crores during the corresponding period in the previous year. As the busy season advanced, money rates hardened. The call rate among the larger scheduled banks moved up gradually from the November-end level of ¾-1 per cent to 3 per cent on December 30, 1954, but eased subsequently to 2¾-3 per cent on January 6, 1955, at which level it remained for the rest of the season. The three months' deposit rate firmed up to 3⅛-3¼ per cent on March 25, but subsequently eased a little to 3-3⅛ per cent on March 31. Scheduled banks' investments in Government securities declined by a much smaller amount (Rs. 3 crores) during the season (between October 15, 1954 and May 6, 195.) than in the corresponding season (Rs. 14 crores) of 1953-54 (between Novem er 20, 1953 and May 7, 195). The holdings of Government securities by the Reserve Bank, which stood at Rs. 487 crores at the beginning of the financial year, moved up to Rs. 517 crores on September 10. Thereafter, they showed a downtrend, declining to Rs. 493 crores at the end of December 1954, after which they again rose and stood at the end of March 1955 at Rs. 553 crores, or Rs. 66 crores higher than at the end of 1953-54 (*vide* Statements 32 and 33 and Graph 10).

As regards reporting non-scheduled banks, data are available only for the calendar year 1954. Aggregate deposits of the non-scheduled banks rose by

* Data relating to the scheduled banks' investments in Government securities, on a weekly basis, are available only from November 1951.

GRAPH 8


CHEQUE CLEARANCES AND
SCHEDULED BANKS' DEMAND LIABILITIES
Crores of Rupees
750
650
550
450
10
8
14
12
Cheque Clearances
Scheduled Banks'
Demand Liabilities
Annual Ratio of Cheque Clearances
to Demand Liabilities of Scheduled Banks
J S D M J S D M J S D M J S D M J S D M
1950-51
1951-52
1952-53
1953-54
1954-55

Rs. 5 crores to Rs. 65 crores. Their cash ratio varied between 7 and 8 per cent till November, but rose to 9 per cent towards the end of the year. Their total advances fluctuated between Rs. 38 crores and Rs. 41 crores and the ratio to deposits ranged between 62 and 69 per cent. Their investments in Government securities rose by Rs. 1 crore to Rs. 22 crores between January and November, but fell to Rs. 21 crores in December.

Other Banking Developments.—During the year under review, the number of scheduled banks declined by 1 to 88 owing to the exclusion of the Bank of Assam Ltd., from the Second Schedule to the Reserve Bank of India Act. The number of offices of scheduled banks increased from 2,725* at the end of March 1954 to 2,807 at the end of March 1955.

An event in the field of banking was the publication on December 20, 1954, of the General Report of the Committee of Direction of the All-India Rural Credit Survey appointed by the Reserve Bank in August 1951 (see Appendix I for a summary of the principal recommendations). The Committee looks to the Co-operative Movement as a potent force in the country's economic development, and the Integrated Scheme of Rural Credit envisaged by it is based on State partnership at different levels, full co-ordination between credit and other activities, and administration through adequately trained personnel. The Committee has recommended a major reorganisation of co-operative credit and agricultural marketing, and the establishment of a 'State-associated' sector of commercial banking, for the benefit of the rural areas, more particularly the small cultivator and the handicraftsman. Amongst other things, it has proposed, for the purpose, the creation of five National Funds, two of which are to be instituted under the Reserve Bank of India, the formation of a National Co-operative Development and Warehousing Board, the establishment of a State Bank of India and the training of personnel for carrying out the programmes of rural development.

Commercial banks in India have shown very limited interest in agricultural finance ; production credit for agriculture granted by them, the major part of which has been for cash crops, is about 4 per cent of total bank credit. The Rural Banking Enquiry Committee recommended in 1950 the extension of branch banking upto taluka towns, to provide credit as well as to canalise savings. The progress in this direction has, however, been extremely slow ; commercial banks have not found it profitable to open branches in the smaller towns owing, among other things, to the small size of individual loans, the lack of easily marketable securities against loans and the higher risk element which is peculiar to agriculture. The need for an institution which would have in mind the larger interests of the country rather than its obligations to shareholders was thus indicated, if rapid progress in the desired direction were to be achieved.

The Committee of Direction of the Rural Credit Survey, which discussed this question in great detail, therefore, recommended the setting up of a State Bank as one strong integrated State-partnered commercial banking institution with an effective machinery of branches spread over the whole country for stimulating banking development by providing vastly extended remittance facilities for co-operative and other banks and following a policy which would be in effective con-

* Revised figure.

sonance with national policies adopted by Government without departing from the canons of sound business. The Committee was of the view that the State Bank of India should be formed by taking over the Imperial Bank of India and other State-associated banks.

In pursuance of this recommendation, the Finance Minister announced on December 20, 1954, Government's decision to assume, as a first step in this direction, effective control over the Imperial Bank of India. Accordingly, the State Bank of India Bill was introduced in the *Lok Sabha* on April 16, 1955 ; it has since been passed by both Houses of Parliament and has received the President's assent on May 8, 1955.

The State Bank of India will come into being on July 1, 1955, when the entire undertaking of the Imperial Bank of India including all its assets and liabilities will be transferred to it. The State Bank will have an authorised capital of Rs. 20 crores and an issued capital of Rs. 5 625 crores, which shall stand allotted to it in lieu of the shares of the Imperial Bank of India, which will stand transferred to the Reserve Bank of India. The Reserve Bank of India shall hold at least 55 per cent of the issued share capital and may transfer the balance of 45 per cent of the State Bank shares to private shareholders, preference being given to the existing shareholders of the Imperial Bank of India. The erstwhile shareholders would be paid compensation at the rate of Rs. 1,765-10-0 for every fully paid-up share and at Rs. 431-12-4 for every partly-paid share. The compensation will be paid in Central Government securities and, if a shareholder so desires, in the form of State Bank of India shares. In the case of shareholders whose names stood registered in the books of the Imperial Bank of India as on December 19, 1954, compensation upto the amount of Rs. 10,000 will be paid in cash if they apply for it.

The management of the Bank will vest in a Central Board consisting of (1) a Chairman and a Vice-Chairman to be appointed by the Central Government in consultation with the Reserve Bank, (2) not more than two Managing Directors, if any, to be appointed by the Central Board with the approval of the Central Government, (3) six directors to be elected by the shareholders, other than the Reserve Bank, whose names are entered in the various branch registers, (4) eight directors to be nominated by the Central Government in consultation with the Reserve Bank to represent territorial and economic interests, (5) one director to be nominated by the Central Government and (6) one director to be nominated by the Reserve Bank.

The State Bank will continue to provide credit to industry, trade and commerce as the Imperial Bank used to do; in addition, it is expected to assist banking development on more vigorous lines. It will open about 400 branches within a period of five years. It will provide considerably larger remittance facilities and attempt to mobilise available rural savings. Later, with an expanded organisation and with development in warehousing and marketing, the State Bank is expected to be a powerful agency for enlarging the supply of rural credit. The Reserve Bank will continue to provide assistance for the extension of rural credit through the apex co-operative banks, as at present.

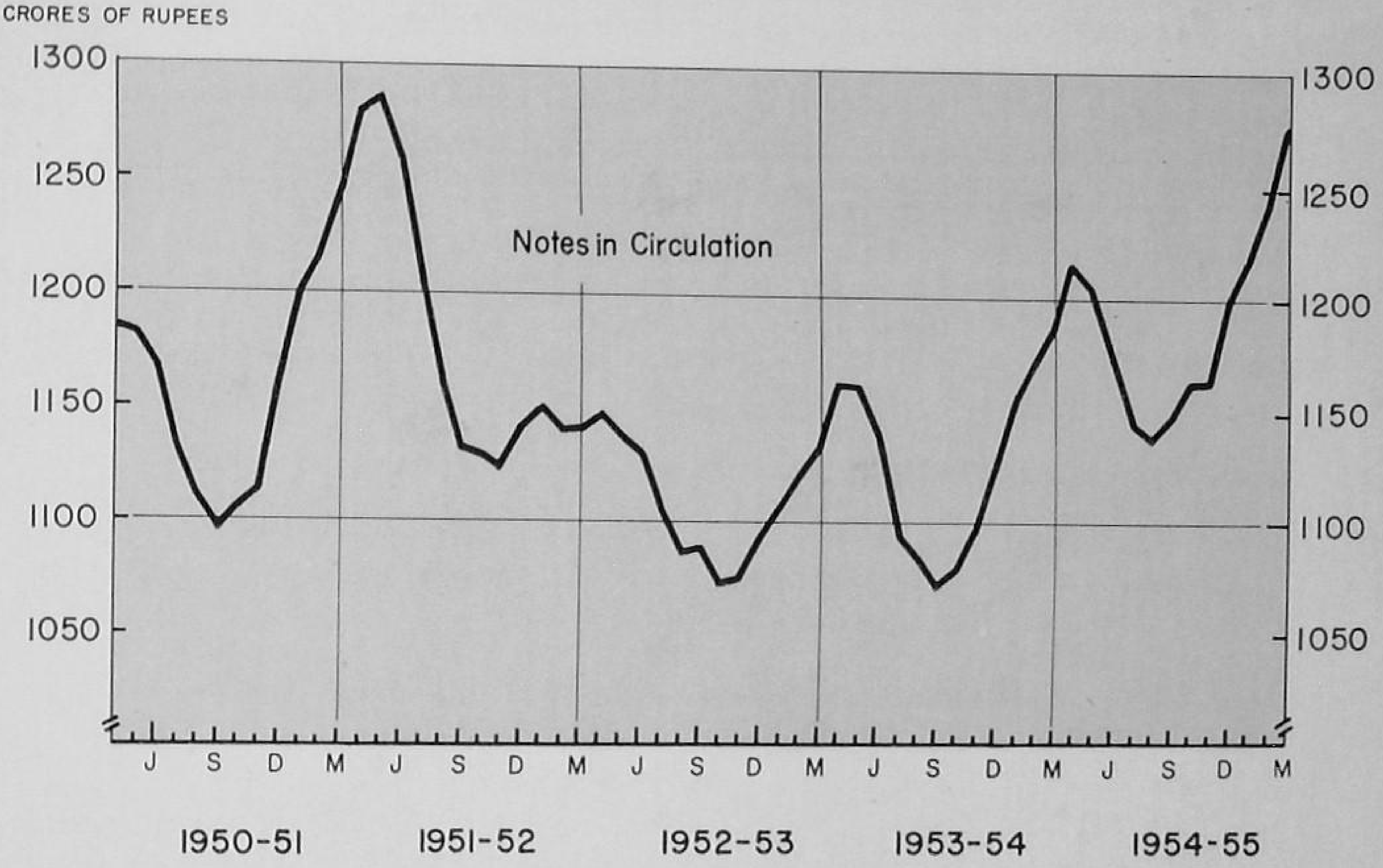
The State Bank shall, if so required by the Reserve Bank, act as agent of the Reserve Bank at all places in India where it has a branch and where there is no

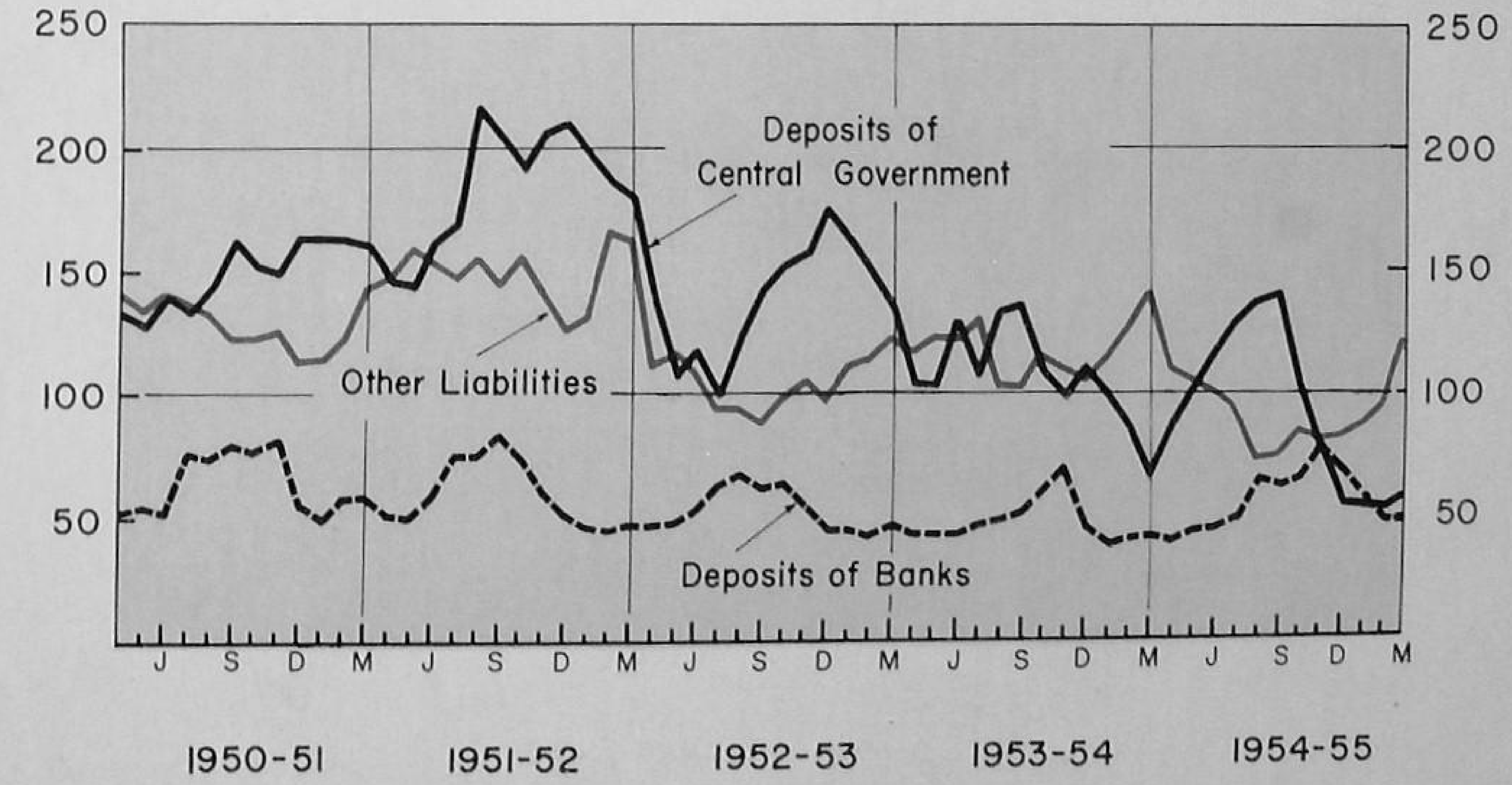
GRAPH 9

LIABILITIES OF THE RESERVE BANK OF INDIA

Issue and Banking Departments Combined

(AS ON LAST FRIDAY OF THE MONTH)





branch of the Banking Department of the Reserve Bank. With the sanction of the Central Government, the State Bank may also enter into negotiations for acquiring the business, including the assets and liabilities, of any banking institution.

Another important recommendation of the Rural Credit Survey Committee for the orderly financing of the proposed reorganisation of the co-operative movement relates to the creation of two National Funds under the Reserve Bank of India. The Reserve Bank of India (Amendment) Bill passed by Parliament in April 1955, authorised the Reserve Bank to set up these two funds, *viz.*, the National Agricultural Credit (Long-Term Operations) Fund with an initial sum of Rs. 10 crores and the National Agricultural Credit (Stabilisation) Fund to which the Bank's annual contribution during each of the five years commencing with the year ending June 30, 1956, shall not be less than Rs. 1 crore. While the Long-Term Operations Fund would make loans and advances to State Governments for subscribing to the share capital of co-operative credit institutions and to the central land mortgage banks, the Stabilisation Fund would make medium-term loans and advances to State co-operative banks to enable them to convert short-term credit into medium-term credit whenever necessary.

In pursuance of the recommendations of the Committee on Finance for the Private Sector and of the Rural Credit Survey Report in that regard, the Reserve Bank announced that they would be prepared to treat the shares and bonds of the Industrial Finance Corporation of India and the State Financial Corporations (August 1954) and the debentures of land mortgage banks, where these have been guaranteed by State Governments (February 1955), on a par with Government securities for accommodation under Section 17 (4) (*a*) of the Reserve Bank of India Act.

The Bill Market Scheme, under which accommodation was made available only to licensed scheduled banks having deposits of Rs. 5 crores or more (*vide* Report for 1953-54) was extended, with effect from July 14, 1954, to all licensed scheduled banks, irrespective of the size of their deposits. Simultaneously, as recommended by the Shroff Committee, the minimum limit of advances under the scheme was reduced from Rs. 25 lakhs to Rs. 10 lakhs and the minimum amount of each individual bill was fixed at Rs. 50,000 instead of Rs. 1 lakh.

The Reserve Bank also appointed a Committee to consider the formation of a consortium or syndicate for underwriting or investing in new issues of shares and debentures of industrial companies as recommended by the Committee on Finance for the Private Sector (*vide* Report for 1953-54). Since the Committee, which submitted its Report in October 1954, envisaged that the leading part in the proposed consortium or syndicate would be played by the Imperial Bank of India, its proposals will need re-examination with the coming into existence of the State Bank of India.

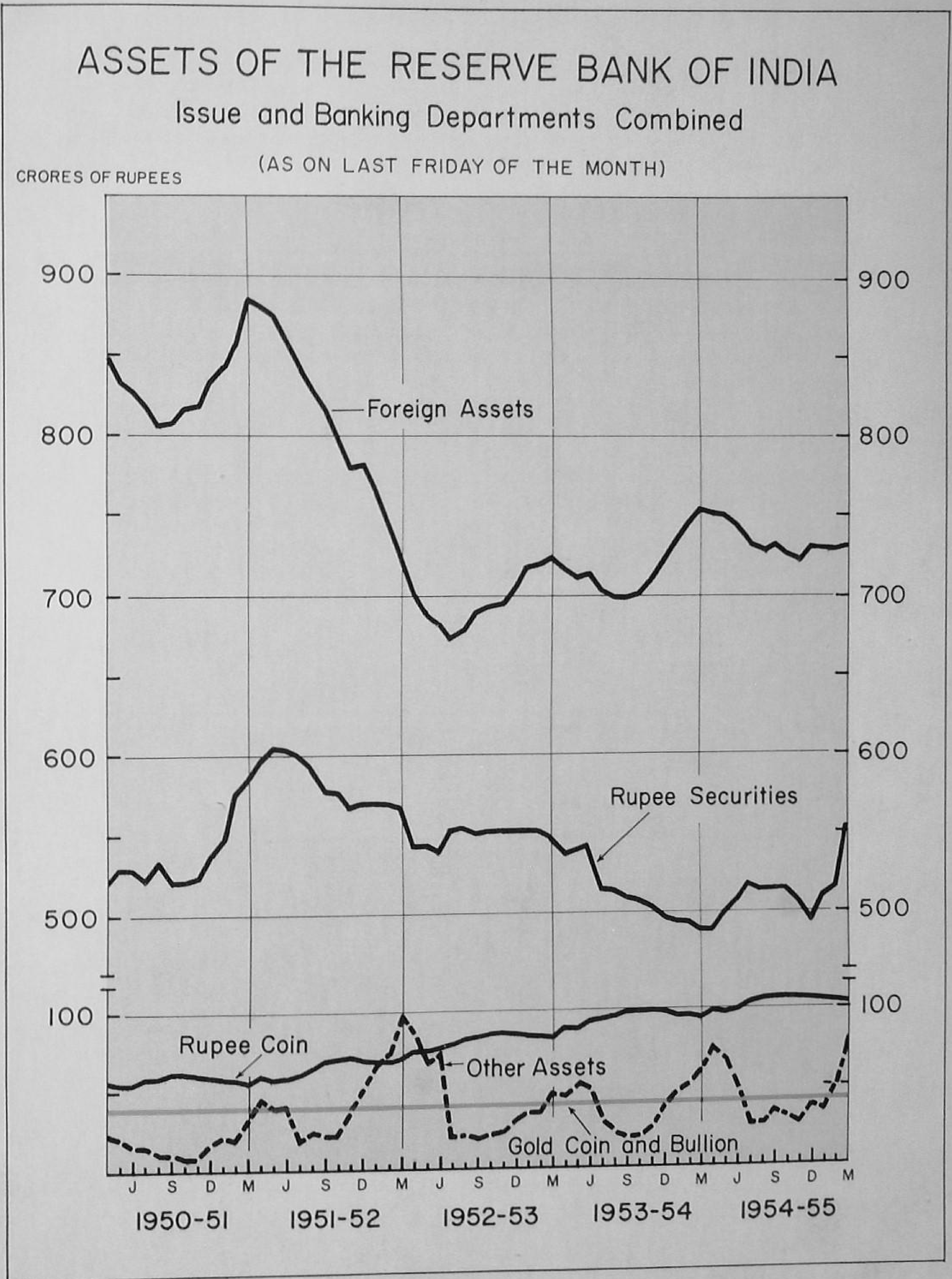
Consequent upon the recommendation of the Rural Banking Enquiry Committee, the Imperial Bank had agreed to open 114 branches (including conversion of 13 treasury pay offices into branches) within a period of five years commencing from July 1, 1951. During the year under review, the Bank opened 19 branches (including 2 treasury pay offices converted into branches), thus bringing the total number of branches opened upto the end of March 1955 to 62.

In the last Report, a reference was made to the setting up of a Savings Bank Advisory Committee by the Government of India, with a view to studying the details of reorganisation of the postal savings bank system on banking lines. In pursuance of a suggestion made by this Committee, the Government of India have introduced the scheme of permitting two withdrawals a week, subject to a maximum of Rs. 1,000 per week, on demand, without notice, at the Bombay, Calcutta and Madras General Post Offices and at the New Delhi Head Office, with effect from January, 2, 1955.

With a view to facilitating the smooth running of the administration and the economic life of the now merged French establishments in India, the Government of India extended ten Indian Acts and one Ordinance to these territories with effect from November 1, 1954. Among these are the Indian Coinage Act, 1906, the Foreign Exchange Regulation Act, 1947, the Banking Companies Act, 1949, the Indian Companies Act, 1913, the Negotiable Instruments Act, 1881, the Reserve Bank of India Act, 1934 and the Currency Ordinance, 1940.

Other developments in the field of banking were (1) the establishment by the Reserve Bank of India of a Bankers' Training College in Bombay in September 1954 for imparting training in practical banking to supervisory staff of commercial banks, and (2) the announcement by the Government of India, on August 24, 1954, of certain modifications to the Labour Appellate Tribunal's decision on the appeals filed on behalf of the employees and banking companies against certain directions of the award of the All-India Industrial Tribunal (Bank Disputes) constituted by the Government on January 5, 1952. Later, however, Government felt it desirable to have the matter further investigated and accordingly appointed the Bank Award Commission (*vide* the Report for 1953-54 and the "Trend and Progress of Banking in India during the year 1954").

GRAPH 10



ASSETS OF THE RESERVE BANK OF INDIA
Issue and Banking Departments Combined
(AS ON LAST FRIDAY OF THE MONTH)
CRORES OF RUPEES
900
800
700
600
500
100
Foreign Assets
Rupee Securities
Rupee Coin
Other Assets
Gold Coin and Bullion
J S D M J S D M J S D M J S D M J S D M
1950-51
1951-52
1952-53
1953-54
1954-55

V. THE CAPITAL MARKET

General.—Following the revival of stability and confidence in 1953-54, the capital market showed a substantial measure of improvement during 1954-55. The gilt-edged market ruled firm in spite of considerable borrowing by the Central Government ; price fluctuations were confined to a narrow range and the all-India index number of Government of India security prices improved slightly by 0·2 per cent to 90·4 in March 1955 as compared to March 1954. The industrial share market was buoyant for the greater part of the year with the annual average index of variable dividend securities going up by about a fifth between 1953-54 and 1954-55. The volume of business on the tock exchanges recorded a further increase over the previous year. The new issue market also experienced increased activity ; a few large issues were successfully floated in the market and the amount of consents granted by the Controller of Capital Issues during 1954 at Rs. 111 crores was the highest since 1948.

All-India Index Numbers of Security Prices

(Base : 1949-50=100)

	March	March	Annual Average	Annual Average	*Percentage variation of*	
	1954	1955	1953-54	1954-55	*2 over 1*	*4 over 3*
	1	2	3	4	*5*	*6*
Government Securities (Central Loans)	90·2	90·4	90·2	90·4	+ *0·2*	+ *0·2*
Fixed Dividend Industrial Securities (Preference Shares) ..	88·0	87·3	87·3	88·4	— *0·8*	+ *1·3*
Variable Dividend Industrial Securities	102·6	115·4	95·6	112·9	+*12·5*	+*18·1*

The institutional set-up for providing finance to industry was strengthened in a variety of ways. Four more State Financial Corporations were established during the year, bringing the total of such Corporations to 10. These Corporations are mainly intended to provide medium and long-term finance for medium and small-scale industries, the requirements of the larger industries coming within the purview of the Industrial Finance Corporation of India. The Central Government has, in addition, set up the National Small Industries Corporation, mainly to cater to the requirements of the small-scale and cottage industries, and the National Industrial Development Corporation for the set purpose of encouraging and aiding medium and large-scale industries whose development is necessary to fill in the gaps for the harmonious development of both the public and the private sectors in a planned economy. Still another Corporation, the Industrial Credit and Investment Corporation of India Ltd., was established for financing industries entirely in the private sector ; this Corporation has, in addition to assistance from the Government of India, secured considerable funds from foreign investors and from the IBRD.

For tightening up legislation concerning companies from various angles, the Companies Bill, based mainly on the recommendations of the Bhabha Com-

mittee Report, had been introduced in Parliament in September 1953 (*vide* Report for 1953-54). During the year this Bill was under the consideration of a Joint Select Committee of Parliament which submitted its Report in May 1955. The Select Committee has suggested major changes in the Bill regarding the system of managing agents ; it has also recommended a number of other changes relating to preference shares, purchase of shares in the company by its employees, system of voting, payment of dividends, appointment of inspectors, etc. The Securities Contracts Regulation Bill, based largely on the recommendations of the Gorwala Committee Report (*vide* Report for 1951-52), was also introduced in the *Lok Sabha* on December 24, 1954 for the more orderly working of stock exchanges, in particular, through the regulation of forward trading. The scheme of regulation contemplated in the Bill provides, *inter alia*, for the prior recognition of the stock exchanges, subject to certain conditions, and for general control over their trading methods and practices by the Central Government who will have power to approve their rules, regulations and bye-laws and make or amend them.

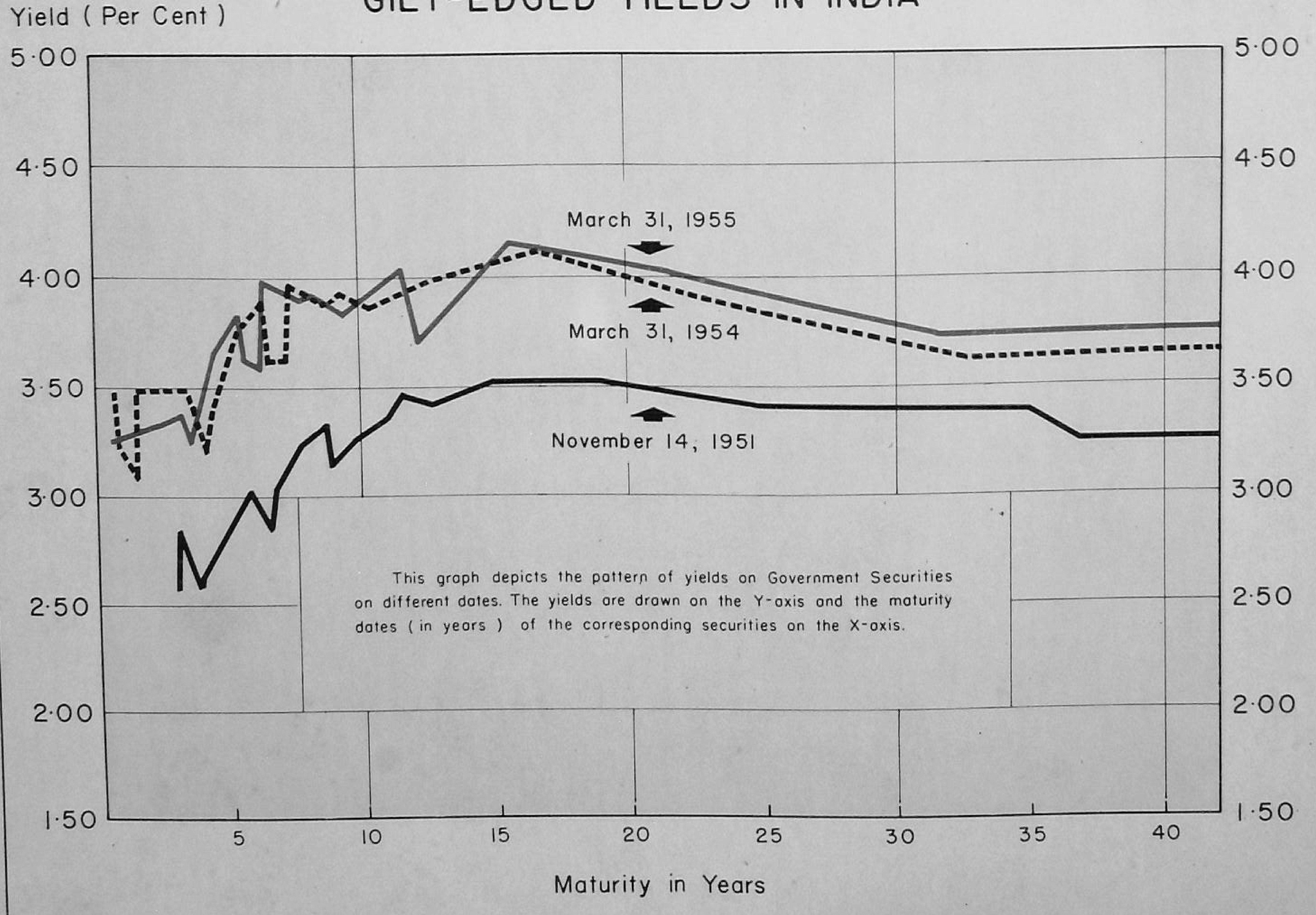
Government Securities.—The firmness in the gilt-edged market, noticed since mid-March 1954, continued during the earlier part of April ; the Reserve Bank stepped up its selling rates of the 3 per cent Loans, 1966-68 and 1970-75, and later temporarily suspended their sales altogether. The flotation by the Government of India, on April 19, of the 3½ per cent National Plan Loan, 1964, however, led to a general marking down of gilt-edged prices and a quiet tone in the market for the next few weeks.

Following the reduction of the Bank of England rate from 3½ to 3 per cent on May 13, the market was steady for about a month, after which, during the latter half of June and the whole of July, the upward trend was resumed on persistent rumours of the possibility of a reduction in the Bank rate in India, the emergence of easier conditions in the money market and paucity of floating stocks. The Reserve Bank resumed sales of medium and long-dated securities in the latter half of July. During August, however, the market ruled quietly steady and subsequently turned easy, mainly owing to lack of support from institutional investors, a good part of whose resources had gone into the 3½ per cent National Plan Loan, 1964 and the 5¼ per cent debenture issue of Burmah-Shell Refineries Ltd. An additional factor was the emergence of stringency in the money market. With official support, however, a smart recovery set in during the closing week of November, which continued through December and January, aided by sustained support from institutional investors, particularly for short and medium-dated loans, and paucity of floating stocks. During February and March, the market ruled quietly steady, owing to growing seasonal stringency in the money market. The raising of the Bank rate in the U. K. from 3 to 3½ per cent on January 27, and again from 3½ per cent to 4½ per cent on February 24, had little effect on the Indian gilt-edged market.

The *average prices* of dated securities for March 1955 were higher than those a year earlier, the rise ranging upto Rs. 1-4 ; the only exceptions were the 2¾ per cent Loan, 1976 among long-dateds, and those securities which were quoting above par among short-dateds and medium-dateds. In the non-terminable section, both the 3 per cent Conversion Loan and the 3 per cent undated Rupee Paper showed declines of Rs. 1-13 and Rs. 2-4, respectively (*vide* Statement 38).

GRAPH 11

GILT-EDGED YIELDS IN INDIA



State Government loans ruled firm almost throughout the year ; the Reserve Bank all-India index number (*base* : 1949-50=100) was slightly higher at 96·1 in March 1955, as compared to 95·7 in March 1954. A majority of the loans showed gains ranging upto annas 14.

Industrial Securities.—The uptrend in equities, which had begun in October 1953, pushed prices by September 1954 almost to the post-Korean peak levels of May 1951. The buoyancy of the market during the first half of the year under review (April to September) was, in large measure, due to an optimistic outlook regarding the financial position of companies following the announcement of higher profits and dividends in company reports and the improvement in the demand for cloth, jute goods and tea. Persistent rumours of the likelihood of a reduction in the Bank rate and of increased deficit-financing during the ensuing year gave rise to expectations of a higher level of economic activity. The market took a favourable view of the recommendations regarding measures to facilitate larger provision of finance for industry made in the Report of the Committee on Finance for the Private Sector. The announcement by the Government of India of the Rs. 10-crore loan to the Tata Iron and Steel Co. Ltd. for financing the company's expansion programme was also welcomed by the market.

There was a temporary setback in the uptrend during October and November, sentiment being adversely affected by uncertainties regarding the recommendations of the Taxation Enquiry Commission and apprehensions of a revision of the Industrial Policy Statement of 1948, with a possible shift in emphasis in the direction of a socialistic pattern of society. A more optimistic view was subsequently taken by markets in regard to Government's industrial policy, following several reassuring official statements in this behalf. Towards the beginning of December, the market showed signs of recovery and continued to rule firm until the end of March, except for a temporary setback in the Special Budget Session, when an initial rise was followed by an all-round net decline, which was particularly marked in textiles, sugar and matches. The losses suffered during the Session were, however, more than wiped out during March and the market forged ahead, reflecting mainly the revised view taken by the operators in regard to the implications of the Central Budget. The major bullish factors were the large-scale deficit-financing envisaged in 1955-56 and the proposal to grant a development rebate of 25 per cent of the cost of all new plant and machinery installed for business purposes, instead of the existing initial depreciation allowance of 20 per cent. Sentiment was further favourably influenced by expectations (since materialised) of (*i*) a reduction in the proposed additional excise duty on cloth and (*ii*) an upward revision in the retention prices of steel.

The Reserve Bank all-India index number of variable dividend industrial securities (*base* : 1949-50=100) rose from 102·6 in March 1954 to 120·9 in September and, after declining to 113·7 in December, firmed up to 115·4 in March 1955 (*vide* Statement 39 and Graph 12). Regionally, the rise was largest in Calcutta (15·3 per cent), followed by Madras (9·5 per cent) and Bombay (6·1 per cent) (*vide* Statement 40). With the exception of banks and shipping companies, which showed declines of 2 per cent and 7·5 per cent, respectively, the index numbers of all the other groups of variable dividend industrial securities showed net gains over the year ; the rise was most marked in plantations (83·8 per cent). The indices of general engineering, chemical, iron and

steel and paper groups rose by 20-30 per cent, those of cement, jute and sugar groups by 15-20 per cent, and those of insurance, electricity, coal, and cotton, silk and woollen textiles groups by less than 10 per cent.

As regards fixed dividend industrial securities, the index numbers of both debentures and preference shares showed slight declines of 0·8 per cent each.

Capital Issues.—Among the large issues floated during 1954, special mention may be made of the $5\frac{1}{4}$ per cent debentures, 1965-69 of the Burmah-Shell Refineries Ltd. for Rs. 8 crores. The other leading issues were the $5\frac{1}{2}$ per cent debentures, 1964-69 issued by the Indian Cable Co. Ltd. for Rs. 1 crore, and the ordinary shares issued by the Ahmedabad Electricity Co. Ltd. for Rs. 1·75 crores and by the Imperial Tobacco Co. of India Ltd. for Rs. 1 crore.

Data relating to the working of the capital issues control show that the total amount of issues sanctioned during 1954 was the largest since 1948, although the number of issues sanctioned was the lowest. The total amount sanctioned increased appreciably from Rs. 81 crores in 1953 to Rs. 111 crores in 1954, and the number of issues sanctioned decreased from 232 to 220. The total amount applied for, on which a decision was taken, was also considerably higher at Rs. 117 crores in 1954, as compared to Rs. 90 crores in 1953. Thus, the share of the amount sanctioned to the amount applied for rose from 91 per cent in 1953 to 95 per cent in 1954 (*vide* Statement 43). As in previous years, industrial issues continued to predominate over non-industrial issues.

Over half the amount sanctioned was for initial issues, which accounted for Rs. 58 crores in 1954—a rise of Rs. 40 crores over the previous year, which was mainly due to the consent granted to the Burmah-Shell Refineries Ltd. for Rs. 31 crores*. The amount sanctioned in respect of further issues by existing companies, on the other hand, declined from Rs. 63 crores in 1953 to Rs. 53 crores in 1954 : this decline was in respect of 'other issues'† and bonus issues.

Out of the total amount of Rs. 111 crores sanctioned in 1954, ordinary issues accounted for Rs. 77 crores (69 per cent), debentures for Rs. 20 crores (18 per cent) and preference shares for Rs. 8 crores (7 per cent). Industry-wise, the largest amount (Rs. 31 crores) was in respect of the petroleum refinery ; this was followed by (*i*) cement and (*ii*) cotton spinning and weaving companies, which, respectively, accounted for Rs. 9 crores and Rs. 8 crores. About three-fourths of the total amount sanctioned during 1954 was in respect of companies in Bombay and West Bengal, which were sanctioned Rs. 64 crores and Rs. 14 crores, respectively.

As regards foreign participation, non-residents were sanctioned Rs. 29 crores in respect of 108 companies in 1954, as against Rs. 18 crores in respect of 101 companies in 1953. Out of this, 30 initial issues accounted for Rs. 28 crores, 35 further new issues for Rs. 0·6 crore and 43 bonus issues for Rs. 0·7 crore. The shares of residents in the U. K. and the U. S. A. were Rs. 26 crores and Rs. 0·9 crore, respectively.

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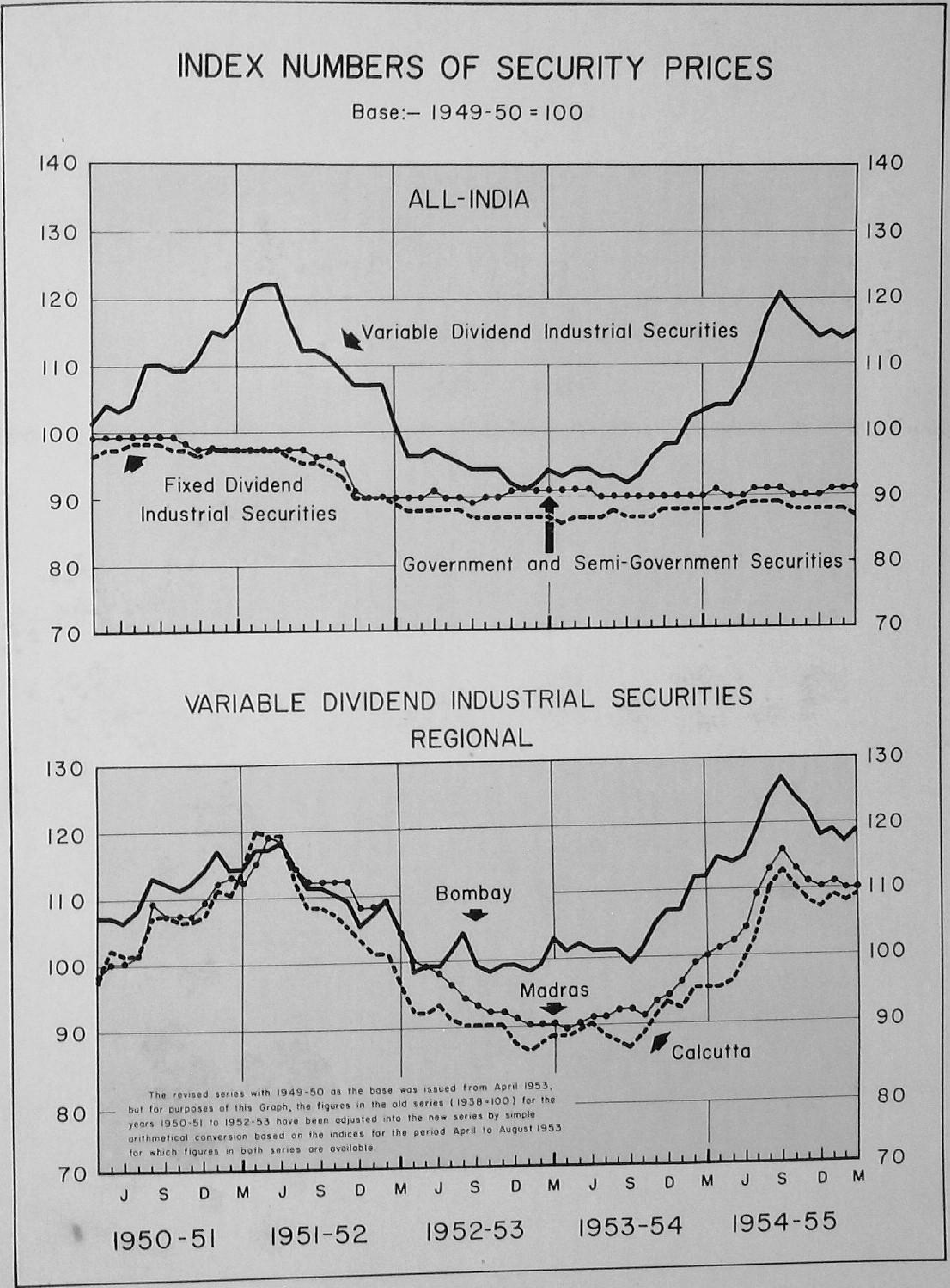
* Of this, the amount sanctioned to non-residents was Rs. 22·95 crores.

† Ordinary and preference shares and miscellaneous (loans) etc.

GRAPH 12



INDEX NUMBERS OF SECURITY PRICES
Base:– 1949-50 = 100
ALL-INDIA
Variable Dividend Industrial Securities
Fixed Dividend Industrial Securities
Government and Semi-Government Securities
140
130
120
110
100
90
80
70
VARIABLE DIVIDEND INDUSTRIAL SECURITIES
REGIONAL
Bombay
Madras
Calcutta
The revised series with 1949-50 as the base was issued from April 1953, but for purposes of this Graph, the figures in the old series (1938=100) for the years 1950-51 to 1952-53 have been adjusted into the new series by simple arithmetical conversion based on the indices for the period April to August 1953 for which figures in both series are available.
J S D M J S D M J S D M J S D M J S D M
1950-51
1951-52
1952-53
1953-54
1954-55

Industrial Finance Corporation of India.—During the year under review, the Industrial Finance Corporation of India sanctioned loans aggregating Rs. 7·08 crores to 23 industrial concerns, as against loans amounting to Rs. 2·93 crores sanctioned to 24 concerns in the preceding year. The outstanding loans and advances increased further from Rs. 11·20 crores at the end of March 1954 to Rs. 12·78 crores at the end of March 1955, the percentage of loans and advances to total assets rising further from 81 to 94. On the other hand, its investment in Government securities dropped from Rs. 2 crores to nil (*vide* Statement 44).

With the setting up of a number of State Financial Corporations, it became necessary to demarcate clearly the sphere of activity of these Corporations and the Industrial Finance Corporation of India. A Conference of the representatives of the State Financial Corporations was held under the auspices of the Reserve Bank in August 1954, and it was agreed that applicants for loans upto (1) Rs. 10 lakhs, or (2) 10 per cent of the paid-up capital of the State Financial Corporation of the State in which they are situated, if that was lower than Rs. 10 lakhs, should be advised to apply to the State Financial Corporation concerned for financial assistance.

State Financial Corporations.—During the year under review, four more State Financial Corporations were established—in Assam, Uttar Pradesh, Bihar and Rajasthan—raising the total to ten. Particulars relating to the date of establishment, capital structure and allocation of issued capital to the various categories of shareholders of the Corporations established during the year are given below.

The Reserve Bank's share in the issued capital of the State Financial Corporations established so far has varied between 10 and 20 per cent. The total amount of loans sanctioned by these ten Corporations during 1954-55 was Rs. 1·95 crores, of which Rs. 1·22 crores was actually availed of. Besides, the Hyderabad State Financial Corporation agreed to subscribe to a debenture issue of Rs. 10 lakhs, out of which Rs. 7 lakhs has been subscribed. Under the State Financial Corporation Act, 1951, the Corporations are empowered to issue bonds and debentures which, together with the contingent liabilities in the form of guarantees or underwriting agreements, should not exceed five times their paid-up capital and reserves. They can also accept deposits not exceeding the amount of their paid-up capital. Their potential resources would amount to about Rs. 63 crores.

State Financial Corporations

(Lakhs of Rupees)

Name of the Corporation	Date of establishment	Authorised capital	Issued Capital	Distribution of Issued Capital			
				State Government	Reserve Bank	Financial Institutions	Others
Assam Financial Corporation	Apr. 19, 1954	2,00	1,00	50	15	30	5
Uttar Pradesh Financial Corporation	Aug. 25, 1954	3,00	50	18	7·5	19·5	5
Bihar State Financial Corporation	Nov. 2, 1954	2,00	50	20	7·5	17·5	5
Rajasthan Financial Corporation ..	Jan. 17, 1955	2,00	1,00	36	15	44	5

National Industrial Development Corporation, Ltd.—This Corporation was established on October 20, 1954, primarily, as stated earlier, for the financing of industries only in so far as they are incidental to planned development. It will give priority to the manufacture of capital goods, machinery and equipment for other industries and take up the study and investigation of industrial schemes ; in implementing them, it will try to secure where possible the maximum use of industrial equipment, experience and skill available in the private sector. It might even set up industries, which would in their turn lead to the growth of ancillary industries in the private sector.

The Corporation has been registered as a private limited company with an authorised capital of Rs. 1 crore and a paid-up capital of Rs. 10 lakhs, which has been provided entirely by the Government of India. The Corporation is empowered to increase its financial resources by issuing shares and debentures.

Industrial Credit and Investment Corporation of India, Ltd.—This Corporation, which is a privately-sponsored institution, was registered under the Indian Companies Act on January 5, 1955 for the purpose of assisting industrial enterprises within the private sector. In general, the Corporation will (1) assist in the creation, expansion and modernisation of such enterprises, (2) encourage and promote participation of private capital, both internal and external, in such enterprises, and (3) encourage and promote private ownership of industrial investment and the expansion of investment markets. In particular, it will (*i*) provide finance in the form of long or medium-term loans or equity participations, (*ii*) sponsor and underwrite new issues of shares and securities, (*iii*) guarantee loans from other private investment sources, (*iv*) make funds available for reinvestment by revolving investments as rapidly as prudent, and (*v*) furnish managerial, technical and administrative advice and assist in obtaining managerial, technical and administrative services to Indian industry.

The authorised capital of the Corporation is Rs. 25 crores, divided into 5 lakh ordinary shares of Rs. 100 each and 20 lakhs unclassified shares of Rs. 100 each*. The issued capital at present is Rs. 5 crores, comprising 5 lakhs ordinary shares of Rs. 100 each issued at par†. Of this amount, Rs. 2 crores was taken up by several Indian banks and insurance companies and certain of the directors of the Corporation and their friends and associates, Rs. 1 crore by British Eastern Exchange banks and certain U. K. and other Commonwealth insurance companies and other British companies, and Rs. 50 lakhs by certain nationals and corporations of the U. S. A. The remaining Rs. 1·5 crores were offered for public subscription in India in February 1955 and this issue was over-subscribed. The Corporation will take steps to ensure that its membership is distributed broadly and that there is no undue concentration of control.

The Government of India agreed to advance to the Corporation a sum of Rs. 7·5 crores, free of interest, repayable in 15 equal annual instalments after the expiry of 15 years from the date of the advance. The advance was made in

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* The shares of the Corporation will be approved investment for the purpose of Section 27A of the Insurance Act, 1938.

† Each share will entitle its holder to one vote.

March 1955 after the ordinary shares of Rs. 5 crores had been fully subscribed. The advance will rank for payment only after payment of all outstanding debts and liabilities and the paid-up share capital of the Corporation. In the event of liquidation of the Corporation, its surplus assets will be divided between the holders of the ordinary shares and the Government of India in proportion to the paid-up ordinary share capital and the advance outstanding. So long as there is any advance outstanding, the Government of India will be entitled to appoint one director on the Board of the Corporation to represent it.

The International Bank for Reconstruction and Development has agreed to lend to the Corporation an amount in various currencies equivalent to $10 million for the purchase of imported material, equipment and services. The loan will be for a term of 15 years and bear interest at 4-5/8 per cent, including the statutory 1 per cent commission charged by the Bank. Repayment of the principal, interest and other charges on the loan has been guaranteed by the Government of India.

The Corporation is empowered to borrow, provided the amount borrowed and guaranteed by it does not exceed three times the aggregate of its unimpaired capital, its surplus and reserves and the outstanding advance from the Government of India.

After the expiry of five years from its incorporation, the Corporation will be required to transfer 25 per cent of its profit every year to a Reserve Fund to meet contingencies and for other purposes conducive to the interests of the Corporation until the Reserve Fund is equal to the outstanding Government advance.

Up to the end of March 1955, the only operations undertaken by the Corporation were connected with the temporary investment of its funds totalling Rs. 12·5 crores (share capital of Rs. 5 crores and Government advance of Rs. 7·5 crores). Several proposals for loans were receiving preliminary examination.

National Small Industries Corporation, Ltd.—This Corporation was established in February 1955, with a view to assisting, financing, protecting and promoting small industries in India. Industries ordinarily employing less than 50 persons working with power, or less than 100 persons working without power, and having capital assets not exceeding Rs. 5 lakhs, will come within its purview. The main objectives of the Corporation would be : (*i*) to secure a reasonable share of Government orders for small-scale units ; (*ii*) to provide such units as may have secured orders, with loans and technical assistance necessary for fulfilling such orders and for manufacturing articles of the type and standard required ; and (*iii*) to try to secure co-ordination between large-scale and small-scale industries so as to enable the latter to manufacture ancillaries, components and other articles required by the former. The Corporation is empowered to underwrite and guarantee loans from banks and similar institutions to small-scale units.

The Corporation has been registered as a private limited company with an authorised capital of Rs. 10 lakhs, divided into 10,000 ordinary shares of Rs. 100 each, to be provided entirely by the Government of India, who will also give suitable loans to provide it with working capital.

VI. THE BULLION MARKET

General.—Virtually isolated from world markets with the continuing ban* on imports and exports of gold and silver, bullion prices in India during 1954-55 were mainly influenced by domestic factors.

Abroad, while the demand for hoarding was reduced by the lessening of international political tensions, supplies were augmented by larger South African output as well as by sizeable Russian gold sales, and in consequence the prices of gold in the world's free markets—which were less active during the year than in any of the post-war years—generally moved close to the world parity price of $35 per fine ounce. The reopening of the London gold market in March 1954 also had a stabilising influence on prices. At the prevailing prices, several Central Banks were induced to purchase the metal to strengthen their monetary reserves.

In contrast, the price§ of gold in India remained appreciably above parity, influenced by good demand following the high level of agricultural output for the third year in succession and by current and prospective deficit-financing on an increased scale. In addition, supplies of the metal were restricted by further checks on smuggling activity. The price of gold in Bombay closed higher for the year by Rs. 1-12-6 at Rs. 92-7-6 per tola ; the average price for the year at Rs. 89-2-4 was also higher by Rs. 3-0-10 than in 1953-54. The range of price fluctuations during the year (Rs. 12-6) was lower than in 1953-54 (Rs. 13-14) and in 1951-52 (Rs. 39-2), and in fact was the lowest since 1940-41, indicating a greater stability of prices in consonance with world trends.

The position of silver was different. World silver prices, as in the previous year, remained remarkably stable, except towards the close when they spurted up mainly on the reported withdrawal of Mexican supplies from the New York market. Internally, however, the range of price fluctuations in silver widened slightly to Rs. 25-15 during the year from Rs. 20-4 in 1953-54, although it was considerably smaller than the range of Rs. 65-4 in 1951-52. Also, the price of the metal declined on occasions, as in the previous three years, to levels below world parity, and over the year it closed lower by Rs. 2-5 at Rs. 165-11 per 100 tolas. A factor contributing to this trend to some extent was the considerable increase in the domestic output of silver.

Silver production in the country increased several-fold from 14,624 ounces, valued at Rs. 61,715 in 1953 to 160,937 ounces, valued at Rs. 6·69 lakhs in 1954, the increase being mainly due to the extraction, as from March 1954, of silver as a by-product of lead obtained from the Zawar mines of Rajasthan. Gold output, on the other hand, rose only slightly from 223,376 ounces, valued at Rs. 5·07 crores in 1953 to 240,792 ounces, valued at Rs. 5·56 crores, and was still below the level of 253,264 ounces achieved in 1952, owing to the closure of the Oorgaum gold mine in Mysore in July 1953. Arrivals of smuggled gold are another main

* For details, see para 95 of the Report for 1950-51.

§ Throughout this chapter, only the trends in 'ready' prices have been reviewed, since 'ready' and 'forward' rates generally showed parallel movements.

source of supply to the market, but their importance has been progressively declining in recent years owing in part to the increasing vigilance of the customs authorities to check smuggling. A major step taken during the year to check smuggling still further was the introduction in September 1954 in the *Lok Sabha* of the Sea Customs (Amendment) Bill, 1954 (since passed in April 1955), which provides, among other things, for the shifting of the burden of proof that the goods are not smuggled, provided there is reasonable evidence for making the charge, to the persons from whose possession the goods are seized. Political developments in the French and Portuguese possessions in India, which have hitherto been the main centres of contraband trade in bullion, also served to choke off smuggling activities. On the transfer, as from November 1, 1954, of the French settlements in India, the Union Government extended the ban on bullion imports to these territories, and disallowed exports of bullion from these territories even to the rest of India.

The Bombay Bullion Association, which is the only recognised market for futures trading in bullion in the Bombay State under the Bombay Forward Contracts Control Act, 1947, functioned, on the whole, smoothly during the greater part of the year under review. For the first time since the inauguration of futures trading in April 1949, the Board of the Association permitted, as from March 29, 1955, simultaneous trading in 3 settlements, as against 2 settlements allowed earlier. During the year, the volume of futures business was lower, especially in gold, in comparison with 1953-54. As in the preceding year, the working of automatic margins and interim clearings played a major role in regulating futures trading on the market and is therefore reviewed in some detail below.

System of Margins and Interim Clearings.—During the year, payment of automatic margins based on price variations (under bye-law 33C) took place in 4 settlements in gold, mostly on account of price increases, and in 3 settlements in silver, mainly because of price declines. Margins payable when the carry-over charges exceed specified limits in terms of bye-law 33D came into operation twice during the year, on both occasions, on outstanding purchases in silver, while automatic interim clearings, in terms of bye-law 104 (2), designed to ensure prompt payment of differences when fluctuations become excessive, were effective four times. The Board of the Bombay Bullion Association also imposed in February special margins on outstanding purchases in the *Fagan* settlement in both gold and silver in terms of bye-law 33A.

Towards the close of the year, on March 25, the regulatory mechanism was further tightened by an amendment* to bye-law 33D(1)(a)(i), providing for graded margins based on variations in *undha budla* charges, the maximum margins payable being fixed as high as Rs. 2,500 per silver bar and Rs. 25 per tola of gold. Prior to the amendment, bye-law 33D(1)(a)(i) provided for payment of

* Under the amended bye-law, whenever the daily official closing rate of the current forward contract is *higher* than its official starting rate and the *undha budla* rises to Rs. 2 or more (but less than Rs. 3) in silver or Re. 0-12 or more (but less than Rs. 1-8) in gold, margins become payable on outstanding purchases. The rates of margins are Rs. 500 per silver bar and Rs. 7 per tola of gold. In case the *undha budla* rises to Rs. 3 or more in silver or Rs. 1-8 or more in gold, the rates of margins will be Rs. 2,500 per silver bar and Rs. 25 per tola of gold.

margins at a uniform rate.† Bye-law 33A‡ was also amended so as to require Government's prior approval for imposing margins under this bye-law.

Gold Prices.—The seasonal uptrend in the price of gold in the Bombay market in the closing quarter of 1953-54 became more pronounced early in April, owing mainly to the prevailing paucity of stocks in relation to sustained demand. The ready rate advanced from Rs. 90-11 on March 31 to Rs. 95-6 by April 9, the peak for the year (*vide* Statements 45 and 46). This was followed by a temporary reaction but thereafter the price again recovered and very nearly regained its earlier peak level by about the end of April. During May and the first half of June, the market evinced a distinctly weak trend, owing mainly to the operation of slack season factors (*vide* Graph 13). Offtake in the spot section fell appreciably, while persistent selling by some leading operators brought the ready rate down by about Rs. 12 to Rs. 83 by June 16, the lowest for the year under review. Later, however, the market tended to recover on a revival of buying support, induced mainly by the developments in the French and Portuguese possessions in India and partly by the reported spurt in the Paris gold market, consequent on rumours of a possible devaluation of the French franc. The ready rate in Bombay steadily moved up to Rs. 90-14 by August 17 and this level was, on the whole, maintained for over three months upto about the closing week of November. Among the factors which influenced market sentiment favourably were the Union Government's announcement regarding exports from, and imports into, French settlements in India, mentioned earlier, and the Finance Minister's statement in the *Lok Sabha* on November 17, that Government were considering, as an anti-smuggling measure, the question of restricting bank remittances to Portuguese possessions in India. Towards the close of November, quotations tended to decline mainly in sympathy with silver, but this proved short-lived and, with the onset of the busy season early in December, prices again started on the upgrade, aided by reports of seizure of contraband gold and growing tensions in the Far East. The spot rate rose almost continuously to Rs. 95-0 by February 11. It, however, declined thereafter mainly as a reaction to the Board's decision to impose special margins on outstanding purchases in the *Fagan* settlement and closed for the year at Rs. 92-7-6 as against Rs. 90-11 a year ago. During the greater part of the year, spot gold continued to command a premium ranging upto Rs. 3-9 over the

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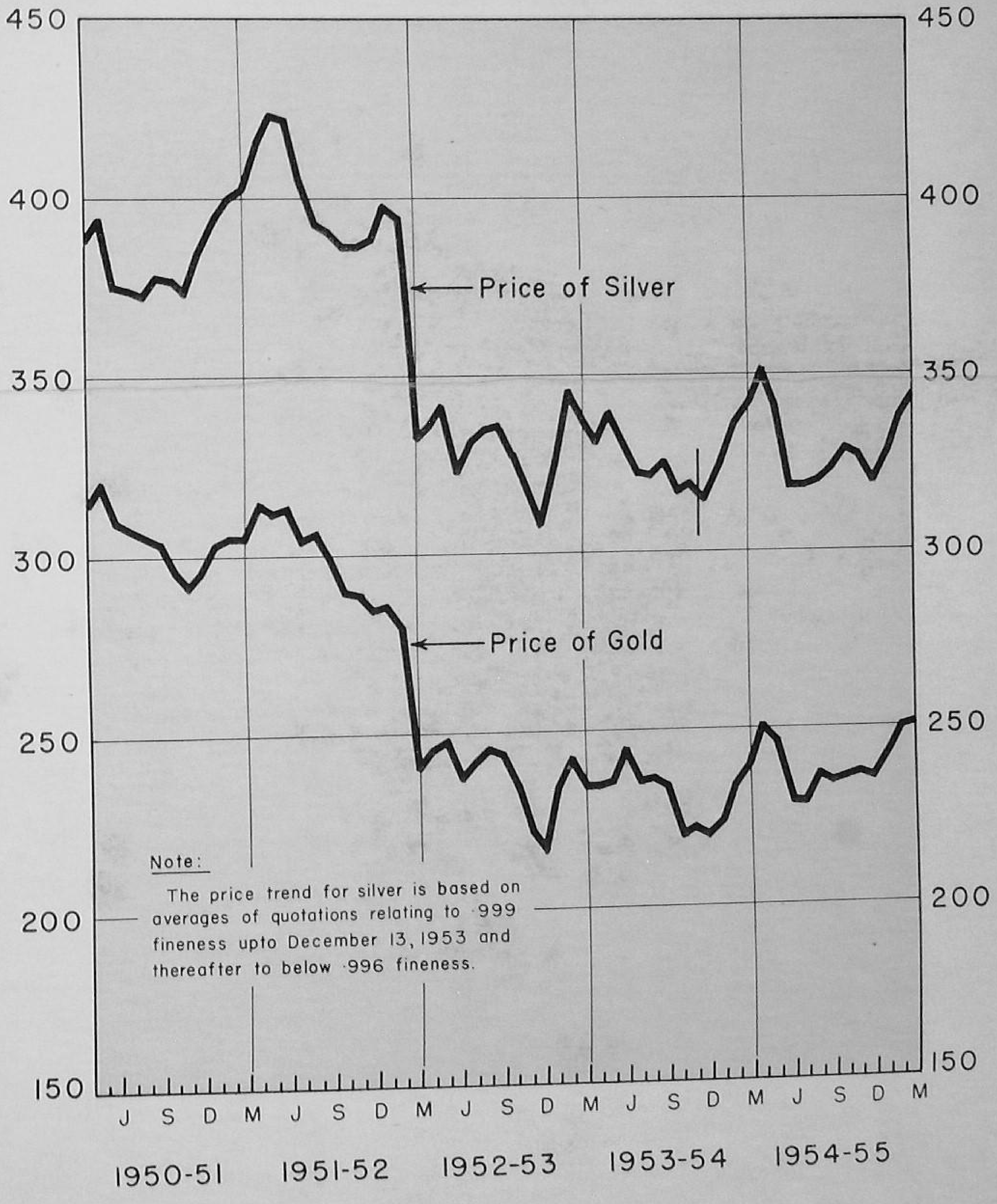
† Rs. 1,000 per silver bar and Rs. 14 per tola of gold, when the *undha budla* rose to Rs. 3 or more in silver or Rs. 1-8 or more in gold.

‡ This bye-law empowered the Board, under certain circumstances, to levy margins of any amount from Rs. 200 to Rs. 500 per silver bar and Rs. 4 to Rs. 7 per tola of gold on outstanding purchases or sales, or both, as the Board may decide in its absolute discretion. A proposal to levy special margins under this bye-law on outstanding purchases in both gold and silver in the *Chaitra* settlement was rejected by the Board on March 12. As a protest against this rejection, a large section of the traders refrained from business between March 14 and 23, whereupon the Board changed its earlier decision and called for margins from the 26th at the maximum rates on all outstanding purchases, if the outstandings exceeded 50 bars in silver and 2,500 tolas in gold. This decision, however, could not be implemented as an operator obtained an injunction from the City Civil Court restraining the Association from levying margins in terms of this bye-law. Meanwhile, with a view to restraining the Board's discretion in imposing special margins, the Bombay Government issued, onMarch 25, an amendment to the bye-law ; the amendment requires the Government's prior approval for imposing special margins in terms of this bye-law.

INDICES OF BULLION (SPOT) PRICES

Base :— June-August 1939=100



forward, while the maximum discount was only 4 annas. It is interesting to note that the seasonal peak was attained in April as against June in the previous year and the seasonal low in June as against October in 1953-54.

Silver Prices.— Like gold, silver also ruled strong early in April. The ready rate, which had closed at Rs. 168-0 on March 31, rose to Rs. 173-14 by April 10—the highest level since May 1952 (*vide* Statement 47). Following reports of large arrivals from upcountry centres, the rate fell sharply to Rs. 165-14 on the 20th, but soon recovered to Rs. 172-7 by April 28. Thereafter, upto about the third week of June, a bearish trend set in, influenced by a slackening in offtake, easy upcountry advices, reports of settlement difficulties in the Bombay oilseeds market and weakness in other commodity markets. The ready rate slumped to Rs. 147-15 on June 21, the lowest since December 1952. The prevailing low level attracted support and with a slowing down of arrivals and rumours of a possible bull squeeze in the *Ashad* settlement, the quotation recovered to Rs. 155-4 by July 7. Subsequently, it moved between Rs. 157-0 and Rs. 150-3 upto mid-September, the occasional setbacks during this period being attributed to (*i*) apprehensions (since belied) that possibly the usual demand for bullion would not materialise in the ensuing busy season in view of the damage caused to agricultural crops in the flood-affected areas and (*ii*) approval by the Bombay Government, subject to the acceptance by the General Body of the Association, of the proposed amendment to bye-law 33D(1) (a) (i), referred to earlier. The market ruled generally firm between mid-September and mid-October, the rate rising from Rs. 154-0 to Rs. 160-14. Thereafter, a weak tone emerged, particularly towards the close of November, following small sales of silver by the Reserve Bank on behalf of a former State and occasional sales of bullion by a leading bank. The ready rate dropped from Rs. 160-14 on October 18 to Rs. 154-10 on December 31. From January 1955, however, with the revival of the usual seasonal demand, the quotation spurted up to Rs. 165-14 by February 11 and, after a temporary reaction to Rs. 162-6, induced mainly by the Board's decision to impose special margins on outstanding purchases in the *Fagan* settlement, the rate closed for the year at Rs. 165-11, as against Rs. 168-0 for the previous year. The premium of the ready over the forward ranged upto Rs. 5-12, while the maximum discount was Re. 1. In silver also, the seasonal peak and low prices occurred earlier than in the previous year, the former in April than in May and the latter in June than in October.

VII. PUBLIC FINANCE

General.—During 1954-55, the budgetary position of the Central and State Governments showed a perceptible change from the previous year towards larger overall deficits, stemming from the rising momentum of expenditure in the public sector (*vide* Statements 50 to 55 and Graphs 14 and 15). In the revenue account of the Central Government, a deficit of Rs. 5 crores replaced a surplus of Rs. 8.5 crores in 1953-54, while in the combined revenue account of Part A and Part B States, the swing was wider still with a deficit of Rs. 33 crores instead of a surplus of Rs. 5 crores in the previous year. Excluding the net increase in receipts estimated under floating debt and adjusting for the net changes in investment reserves, the overall deficit of the Central Government in 1954-55 (Rs. 200 crores) was more than twice that in the previous year (Rs. 87 crores). In the case of Part A and Part B States, there was an adjusted overall deficit of Rs. 36 crores as against a surplus of Rs. 19 crores in 1953-54—a swing of Rs. 55 crores. For the current financial year, revenue deficits of the Centre and the States, after tax changes, are placed at Rs. 17 crores and Rs. 66 crores, and the adjusted overall deficits at Rs. 327 crores and Rs. 65 crores, respectively. Railways, on the other hand, are expected to show larger surpluses in 1954-55 (RE) and in 1955-56 (BE) than in 1953-54.

Interest-bearing obligations of the Government of India went up sharply by Rs. 344 crores in 1954-55 to Rs. 3,039 crores at the end of the year, while interest-yielding assets disclosed an increase of Rs. 262 crores to Rs. 2,266 crores and at the end of the year were three-fourths of the outstanding interest-bearing obligations. By the close of 1955-56, interest-bearing obligations are expected to go up further by Rs. 470 crores and interest-yielding assets by Rs. 402 crores.

An event of special importance during the year was the submission to Government of the Report of the Taxation Enquiry Commission. The Commission was constituted in April 1953 to examine, *inter alia*, the incidence of the tax system in India ; its suitability with reference to the country's development programme and the resources required for it, and the objective of reducing inequalities of income and wealth ; the effects of taxation of income on capital formation and maintenance and development of productive enterprise ; and the use of taxation as a fiscal instrument in dealing with inflationary and deflationary situations. The Commission's Report was released to the public along with the Union Government's budget in February 1955.

The Commission stressed the need to widen the role of taxation and borrowing for the implementation of the development programme of the public sector, and pointed to the urgency for the maximum practicable restraint on consumption by all classes, more particularly by the higher income groups. The Commission, therefore, recommended a deepening as well as a widening of the tax structure. To achieve this end, extension of commodity taxation as well as increases in direct taxation were regarded as necessary.*

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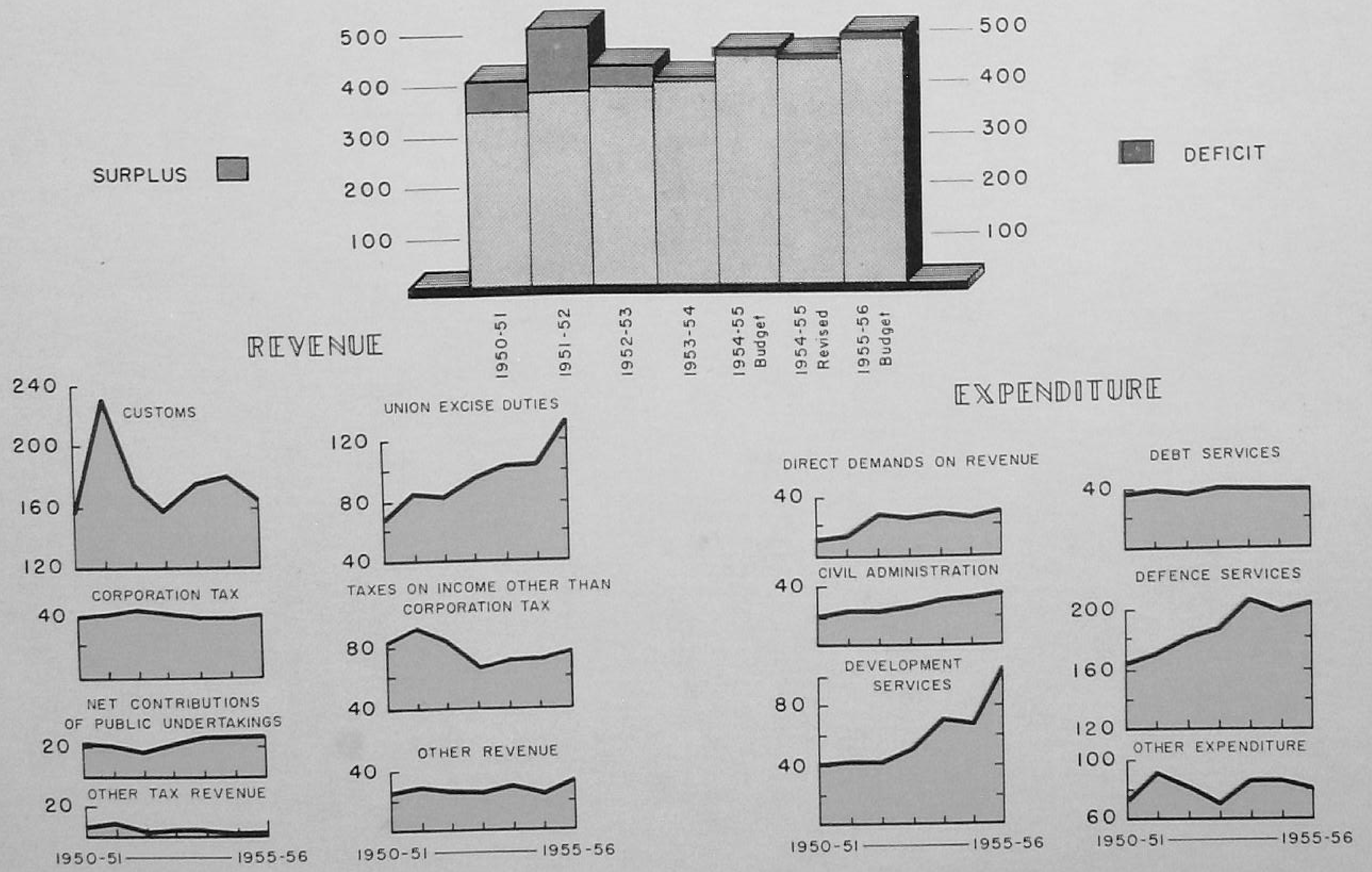
* For a summary of the Report of the Taxation Enquiry Commission, see Appendix II.

GRAPH 14

FINANCES OF THE GOVERNMENT OF INDIA

(REVENUE ACCOUNT)

Crores of Rupees



A. BUDGETS

Union Government†

Revenue Account

General.—The trends in revenue and expenditure of the Central Government since 1951-52 are shown in the Table below :—

(In Crores of Rupees)

	1951-52 (Accounts)	1952-53 (A counts)	1953-54 (Accounts)	1954-55 (R E)	1955-56 (B E)
Revenue	509·5	429·6	409·8	444·4	461·9‡
Expenditure	381·4	390·7	401·3	449·4	492·0
Surplus (+) *or Deficit* (−)	*+128·1*	*+ 38·9*	*+ 8·5*	*− 5·0*	*− 30·1*

‡ Before tax changes.

1953-54, Accounts.—The actual position in 1953-54 was different from the one envisaged in the revised estimates, since there was a revenue surplus of Rs. 8·5 crores instead of a deficit of Rs. 17 crores. This improvement was due to a decline (mostly under defence and civil administration) of Rs. 24 crores in expenditure and an improvement of Rs. 2 crores in revenue.

1954-55, Revised.—In comparison with the budget estimates, the revised estimates for 1954-55 show a nominal decrease in revenue (Rs. 0·6 crore) and a considerable reduction in expenditure (Rs. 11 crores). Consequently, the revised estimates disclose an appreciably smaller deficit (Rs. 5 crores) than the one envisaged in the budget estimates (Rs. 15·4 crores). On the revenue side, the shortfall on account of the non-payment of the debt instalment by Pakistan was largely offset by an increase of Rs. 5 crores under customs (owing mainly to the enhancement of the export duty on tea), and of Rs. 3 crores under miscellaneous heads of revenue. On the expenditure side, defence outlay and civil expenditure declined by Rs. 8 crores and Rs. 3 crores, respectively.

1955-56, Budget.—*At the existing levels of taxes,* the budget estimates for 1955-56 place revenue at Rs. 462 crores, and expenditure at Rs. 492 crores, leaving a deficit of Rs. 30 crores. Revenue and expenditure are both estimated to go up, the former by Rs. 18 crores and the latter by Rs. 43 crores as compared to the revised estimates for 1954-55. On the revenue side, an increase of Rs. 20 crores is anticipated under Union excise duties and a fall of Rs. 15 crores under customs. Receipts from currency and mint are placed at Rs. 3 crores higher, while profits from the sale of imported sugar are expected to yield Rs. 8 crores. On the expenditure side, development outlay shows the largest increase (Rs. 29 crores).

The revenue deficit of Rs. 30 crores was expected to be reduced to Rs. 8·5 crores by proposals involving both an upward revision in rates of direct and indirect taxation as well as an extension of their coverage. The proposals were subsequently modified and the anticipated increase in revenue from the tax changes was reduced from Rs. 21·7 crores to Rs. 12.8 crores on account of con-

† For details see Reserve Bank of India Bulletin, March 1955.

cessions in regard to excise duties. The revenue deficit for 1955-56 is, therefore, now placed at Rs. 17 crores. The changes in commodity and income taxation detailed below, as finally embodied in the Finance Act, 1955, represent the first step in instituting reforms in line with the recommendations of the Taxation Enquiry Commission.

(a) Changes in Central Excise Duties :

These include (*i*) an enhancement of the duty on sugar from Rs. 3-12 per cwt. to Rs. 5-10 per cwt., (*ii*) increase in the incidence of duty on cotton fabrics* mainly through a change in the basis of the levy from a linear yard to a square yard, (*iii*) upward revision of duties on costlier brands of cigarettes, (*iv*) levy of specific duties on certain articles such as electric fans, electric lighting bulbs, paper and paints and varnishes and (*v*) imposition of *ad valorem* duties of 6¼ per cent and 10 per cent, respectively, on woollen fabrics and electric dry and storage batteries. Simultaneously with the imposition of these duties, the position of small-scale producers has been safeguarded by appropriate reliefs. These changes are estimated to yield a net revenue of Rs. 8·8 crores as against Rs. 17·7 crores in the original proposals.†

(b) Changes in Customs Duties :

These cover (*i*) reduction in the export duty on cotton cloth from 10 per cent to 6¼ per cent *ad valorem*, (*ii*) switch-over in tariff from a flat rate to a slab rate varying with value, in the case of tea exports, (*iii*) abolition of import duties, subject to certain margins of preference, on raw materials such as dyeing and tanning substances, gums, resins, plumbago etc., and enhancement of duties on a number of goods such as articles made of paper, papier machè, advertising circulars, and cutlery not plated with gold or silver and (*v*) certain minor amendments consequent upon the changes in Central excise duties. The net effect of the changes in customs duties is a loss of Rs. 0·5 crore in revenue.

(c) Changes in Income Tax :

The principal adjustments are (1) the existing tax exemption slab of Rs. 1,500 is raised to Rs. 2,000 for married persons and reduced to Rs. 1,000 for unmarried persons as a first step towards a scheme of family allowances ; (2) the present slab of Rs. 5,000-10,000 is broken into two, Rs. 5,000-7,500 and Rs. 7,500-10,000; the rate on the latter is raised by six pies to two annas and three pies in the rupee ; (3) in the next slab of Rs. 10,000-15,000, the rate is raised by three pies to three annas and three pies in the rupee ; (4) as a first step towards the abolition of the earned income allowance on higher brackets of income, the earned income relief of Rs. 4,000 is reduced by Rs. 200 for each Rs. 1,000 of income in excess of Rs. 25,000,

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* The current duties on different varieties of cloth are (*i*) superfine, 2 as. per square yard, (*ii*) fine, 1 anna 3 pies per square yard and (*iii*) coarse and medium, 6 pies per square yard. In addition, the existing special cess of 3 pies per square yard is levied for the benefit of the handloom industry.

† The main modifications to the additional tax proposals are (1) reduction in duty on woollen fabrics from 10 per cent to 6¼ per cent *ad valorem*, (2) conversion of *ad valorem* duties into specific duties in respect of electric lighting bulbs, electric fans, paints and varnishes and paper, (3) abolition of duties in respect of sewing machines and spare parts and straw board and (4) reduction in duties on cotton fabrics (except fine cloth) and restoration of the pre-budget four-fold classification of cotton cloth.

the relief ceasing altogether when the level of Rs. 45,000 is reached ; (5) the super-tax slabs are readjusted and the level at which super-tax becomes leviable is reduced from Rs. 25,000 to Rs. 20,000 ; (6) the existing limit of one-sixth of income subject to a ceiling of Rs. 6,000 for rebate allowed for payment of premia on life insurance policies and subscriptions to recognised provident funds is raised to one-fifth of income with a ceiling of Rs. 8,000 ; corresponding increases are made in the case of Hindu undivided families ; (7) a development rebate of 25 per cent of the cost of all new plant and machinery installed after March 31, 1954 for business purposes is allowed, in place of the existing initial depreciation allowance of 20 per cent. Business losses are to be allowed to be carried forward indefinitely and can be set off not only against the profits of the same business in later years but also against the profits of other businesses provided that the business in which the loss was incurred still continued ; (8) a number of changes are also made with a view to rationalising the tax structure. Thus, the value of perquisites or benefits accruing to salary-earners drawing over Rs. 18,000 per annum and to directors of companies, and entertainment allowances of all kinds are made taxable. Similarly, compensation received for loss of managing agency or other agencies and compensation received for termination of employment is made taxable. A flat rate of super-tax of four annas in the rupee is imposed on the undistributed profits of a private limited company in which not less than 60 per cent of the shares are controlled by less than 6 persons, if at least 60 per cent of the profits have not been distributed.* Again, certain further concessions are given to co-operative societies but not to co-operative insurance societies. The net effect of the changes in income-tax and super-tax is an increase of Rs. 8·7 crores‡ in revenue, of which Rs. 4·2 crores will accrue to the States.

Capital Account

General:—Despite the sharp rise in disbursements in 1954-55 (RE) and in 1955-56 (BE), the capital account shows surpluses but only after allowing for larger receipts under Treasury bills. If these are excluded, the deficits in 1954-55 and 1955-56 will amount to Rs. 202 crores and Rs. 310 crores, respectively, as compared to Rs. 90 crores in 1953-54.

The accounts for 1953-54 show larger net receipts from State trading than were expected in the revised estimates and a smaller outlay on development. The increase under Treasury bills was Rs. 20 crores.

In 1954-55, internal market borrowing through the National Plan Loan (Rs. 158 crores) was more than double the estimate (Rs. 75 crores). This Loan was intended to cover the requirements of both the Centre and the States, and Rs. 25·5 crores of the proceeds were lent to the States. Small savings at Rs. 50 crores are expected to show an increase of Rs. 5 crores, thus exceeding for the first time the target of Rs. 45 crores set in 1952. A credit of Rs. 11 crores was taken during

* In the case of (*a*) a company whose income is derived from investments or dealings in investments and (*b*) any other company whose accumulated reserves exceed the paid-up capital *plus* any loan capital which is the property of shareholders *or* the actual cost of the fixed assets of the company, whichever is greater, any portion of undistributed profits would be liable to this super-tax.

‡ The main modifications to the original income-tax proposals are (*i*) exemption of certain perquisites or benefits *viz*. free passage of foreign employees for home leave, liberal treatment of certain entertainment allowances and (2) a less strict definition of Section 23A—Companies.

the year under inter-State debt transactions representing the adjustment of debt due from Burma against rice imports from that country.

Capital receipts in the budget for 1955-56 are estimated at Rs. 668 crores, inclusive of the net increase in receipts (Rs. 340 crores) under Treasury bills. Receipts from fresh domestic borrowing are placed at Rs. 125 crores†, from small savings at Rs. 52 crores (Rs. 2 crores more than in 1954-55) and from foreign aid (loans and grants) at Rs. 74 crores. The net withdrawal (Rs. 7 crores) from Railway Funds is expected to be half the previous year's.

On the disbursements side, substantial increases are shown in 1954-55 under advances to States, including advances from the Special Development Fund and under capital outlay. The increase in the latter is mainly due to a worsening by Rs. 62 crores in the net position under Government trading schemes. In 1955-56, loans and advances to States (Rs. 290 crores), primarily for development purposes, disclose a further increase of Rs. 35 crores. The Central Government's capital outlay has also increased from Rs. 179 crores to Rs. 223 crores, mainly due to a larger outlay of Rs. 34 crores under Railways to enable them to carry out their five-year capital programme in full. The disbursements include provision for repayment during the year of the two maturing loans *viz.*, 2½ per cent Loan, 1955 and 4½ per cent Loan, 1955-60, with outstanding balances of Rs. 60 crores and Rs. 9 crores, respectively.

Cash Balances:—Taking into account the receipts under floating debt, the closing balance at the end of 1955-56 (BE) is placed at Rs. 63 crores, compared with the estimated opening balance of Rs. 50 crores.

State Governments*

Finances of Part A States :

Revenue Account

General:—The consolidated budgetary position of Part A States on revenue account since 1951-52 is shown below. (See also Statement 53).

(Crores of Rupees)

	1951-52 (Accounts)	1952-53 (Accounts)	1953-54 (Accounts)	1954-55 (R E)	1955-56 (B E)
Revenue	304·8	318·2	347·0	376·1	397·9‡
Expenditure	298·3	318·3	347·1	402·7	449·4
Surplus (+) or Deficit (–) ..	+ *6·5*	– *0·1*	– *0·1*	– *26·6*	– *51·5*
Deficit (–) exclusive of Revenue Reserve Fund Transactions. ..	(– *2·3*)	(– *12·1*)	(– *0·1*)	(– *42·2*)†	(– *59·9*)

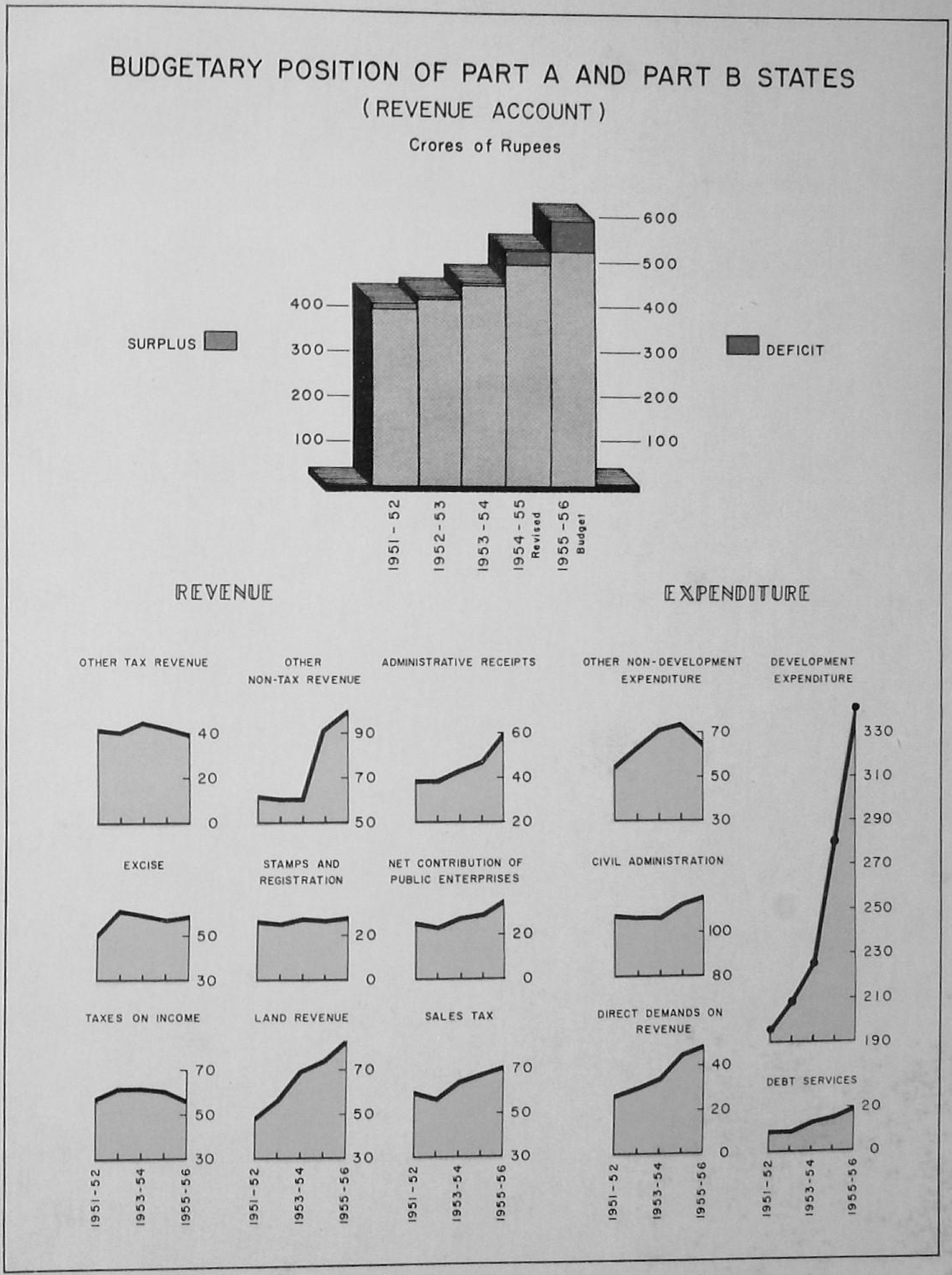
‡ Before tax changes. †Excluding also transfer of Rs. 7·2 crores to revenue from contingency fund in the case of Bihar.

Aggregate revenue and expenditure of Part A States both show continuous increases in the five-year period 1951-52 to 1955-56, but the increase in expenditure

* For a detailed account, refer to the Reserve Bank of India Bulletins, May and June 1955.

† An announcement of the issue of a new cash-cum-conversion loan for a sum of Rs. 100 crores was made by the Government of India on June 24, 1955. The loan which will be known as the National Plan Bonds—Second Series (3½ per cent, 1965) will be issued at Rs. 98-8 per cent and will be floated on July 1, 1955.

GRAPH 15


BUDGETARY POSITION OF PART A AND PART B STATES
(REVENUE ACCOUNT)
Crores of Rupees
SURPLUS
DEFICIT
100
200
300
400
500
600
1951-52
1952-53
1953-54
1954-55 Revised
1955-56 Budget
REVENUE
EXPENDITURE
OTHER TAX REVENUE
OTHER NON-TAX REVENUE
ADMINISTRATIVE RECEIPTS
OTHER NON-DEVELOPMENT EXPENDITURE
DEVELOPMENT EXPENDITURE
EXCISE
STAMPS AND REGISTRATION
NET CONTRIBUTION OF PUBLIC ENTERPRISES
CIVIL ADMINISTRATION
TAXES ON INCOME
LAND REVENUE
SALES TAX
DIRECT DEMANDS ON REVENUE
DEBT SERVICES
1951-52
1953-54
1955-56

is considerably larger, particularly in 1954-55 and 1955-56. Consequently, substantial deficits are anticipated in the last two years. The increase in revenue is partly attributable to larger Central assistance under the Finance Commission's scheme, while the major part of the rise in expenditure is due to increased developmental expenditure.

Total development expenditure on revenue account is expected to increase from Rs. 152 crores in 1951-52 to Rs. 255 crores in 1955-56, that is, by Rs. 103 crores over the quinquennium. Every category of expenditure shows a rise, almost from year to year, but the increases are particularly marked under education, medical and public health, irrigation, and rural and community development projects. During the same period, expenditure under non-development heads has gone up by Rs. 47 crores to Rs. 194 crores, with the largest increase under debt services. Administrative expenditure in connection with the abolition of estates (under direct demands on revenue) and transfer of land revenue to Zamindari abolition funds (under miscellaneous) in some States, and abnormal expenditures on famine relief largely explain the increases under other non-development heads.

1953-54, Accounts.—As at the Centre, the outturn for 1953-54 showed considerable improvement over the revised estimates ; there was only a nominal deficit of Rs. 8 lakhs, as compared to a deficit of Rs. 14 crores, owing mainly to a shortfall in development expenditure.

1954-55, Revised.—The revised estimates of Part A States for 1954-55 reveal a deficit of Rs. 27 crores, which is Rs. 7 crores smaller than the deficit in the original estimate. Both revenue (Rs. 376 crores) and expenditure (Rs. 403 crores) have gone up, by Rs. 23 crores and Rs. 16 crores, respectively. The increase in revenue is due to larger receipts under both non-tax (Rs. 18 crores) and tax (Rs. 5 crores) heads, while the rise in expenditure (Rs. 15 crores) is attributable to increases in both development (Rs. 9 crores) and non-development (Rs. 6 crores) expenditure†.

1955-56, Budget.—Both revenue (Rs. 398 crores) and expenditure (Rs. 449 crores) in the estimates for 1955-56 are at a higher level than in the revised estimates for 1954-55 ; revenue is up by Rs. 22 crores and expenditure by Rs. 47 crores ; the net budgetary position has thus deteriorated by Rs. 25 crores, reflecting a considerable increase in expenditure in the final year of the Plan. Only Madras has proposed tax changes which are estimated to yield Rs. 1·7 crores ; the main tax proposals relate to the levy of agricultural income-tax on plantations, betterment levy, a flat surcharge of 2 annas in the rupee on land revenue and water rates, and extension of sales-tax to tobacco. West Bengal shows the largest deficit at Rs. 17 crores, followed by Bihar (Rs. 15 crores) and Uttar Pradesh (Rs. 6 crores). Andhra, Assam, Madhya Pradesh, Madras, Orissa and Punjab together account for a deficit of Rs. 14 crores. Bombay is the only State which expects a nominal surplus in the final year of the Plan period.

† The increase is due mainly to the provision for famine relief expenditure in Bihar. Mainly to finance this, Bihar shows a transfer of Rs. 7 crores from the contingency fund, and a part of the increase in total non-tax revenue is due to this transfer.

Expenditure under development heads is expected to disclose a sharp rise of Rs. 42 crores over the 1954-55 level; all the States have budgeted for increased spending under these heads. Non-development expenditures, particularly on direct demands on revenue, debt services and civil administration, show increases, but these are partly offset by a decline in the provision made for expenditure on famine relief and certain other items.

For 1955-56, all the States, except Bihar, budget for higher revenues‡. The increase in receipts is mainly under non-tax heads, *viz.*, transfers from reserves, civil administration, irrigation etc.

Capital Account

General :—Despite the large increase in development outlays (from Rs. 80 crores in 1951-52 to Rs. 104 crores in 1953-54, Rs. 147 crores in 1954-55 and Rs. 196 crores in 1955-56), the capital account shows a substantial improvement. This is due, in the main, to the increase in loans from the Centre, which, net of repayments by States, have risen according to States' budgets from Rs. 56 crores in 1951-52 to Rs. 96 crores in 1953-54, Rs. 167 crores in 1954-55 and Rs. 232 crores in 1955-56. Besides financing larger development outlays, this scale of Central loan assistance has enabled the State Governments to provide for larger *taccavi* and other loans. Net receipts in the five-year period from market loans and State trading amount to Rs. 72 crores and Rs. 31 crores, respectively.

Although four Part A States (Uttar Pradesh, West Bengal, Andhra and Madras) made a total provision of Rs. 24 crores† in the 1954-55 budget for market loans, they did not enter the market; instead, Part A States were allotted Rs. 20 crores out of the National Plan Loan proceeds. The estimated receipts under permanent debt in 1955-56 amount to Rs. 17 crores.

Finances of Part B States :

Revenue Account

General.—The consolidated budgetary position of Part B States on revenue account is shown below. (See also Statement 54).

(In Crores of Rupees)

	1951-52 (Accounts)	1952-53 (Accounts)	1953-54 (Accounts)	1954-55 (R E)	1955-56 (B E)
Revenue	100·5	102·0	106·6	114·7	123·8*
Expenditure	94·3	98·7	101·1	120·6	140·2
Surplus (+) or Deficit (—) ..	+ *6·2*	+ *3·3*	+ *5·5*	— *5·9*	— *16·4*
Surplus (+) or Deficit (—) exclusive of Revenue Reserve Fund Transactions.	(+ *6·0*)	(+ *3·3*)	(+ *4·7*)	(— *5·9*)	(— *19·8*)

* Before tax changes with certain exceptions. See Table on page 63.

Both total revenue and expenditure of Part B States on revenue account show continuous increases during the period 1951-52 to 1955-56, as in the case of Part A States. Transactions relating to reserves are, however, much smaller than in the case of Part A States. The increase in revenue in the Plan period is partly attributable, as in the case of Part A States, to a rise in Central assistance, while the rise in expenditure is mainly due to higher development outlays. The non-development expenditure of Part B States does not show any undue increase.

‡ A reduction of Rs. 9 crores in the revenue of Bihar as compared to 1954-55 is wholly under miscellaneous (transfer from contingency fund and receipts from the Centre in connection with famine relief); therefore, even in the case of Bihar, the decline in revenue is only apparent.

† Includes the provision for loans from the Centre also in the case of Madras.

1953-54, Accounts.—The final position in 1953-54 was a surplus of Rs. 6 crores instead of a deficit of Rs. 4 crores envisaged in the revised estimates for that year. This was due to a decline of Rs. 13 crores in expenditure, mainly under development heads, and a fall of Rs. 3 crores in revenue.

1954-55, Revised.—The combined revised estimates of Part B States for 1954-55 disclose a deficit of Rs. 6 crores, which is Rs. 0·8 crore higher than the deficit originally budgeted. Both revenue and expenditure show increases of Rs. 1·7 crores and Rs. 2·5 crores, respectively.

1955-56, Budget.—In the 1955-56 budget estimates, expenditure (Rs. 140 crores) and revenue (Rs. 124 crores) are both higher than in 1954-55, the former by Rs. 19 crores and the latter by Rs. 9 crores. The combined revenue deficit has thus gone up from Rs. 6 crores in 1954-55 to Rs. 16 crores in 1955-56. Except Madhya Bharat, which shows a reduction of Rs. 1.6 crores in its deficit, all the other States show larger deficits, that of Travancore-Cochin at Rs. 4·4 crores being the largest ; Mysore shows a deficit of over Rs. 4 crores, while Rajasthan, Hyderabad and PEPSU have deficits of over Rs. 2 crores each. A substantial rise in development expenditure is shown in all the States and is spread over the various categories of expenditure. On the revenue side, there is an increase of Rs. 10 crores in non-tax revenue, mainly due to larger Central assistance but this is partly offset by a fall of Rs. 1 crore in total tax revenue. Among the items of tax revenue, abolition of inter-State transit duties involves a loss of Rs. 5 crores for Rajasthan and Madhya Bharat, and this is partially offset by increases under sales-tax and land revenue.

The following changes in taxes and rates estimated to yield about Rs. 1 crore are proposed in 1955-56 in the budgets of four Part B States *viz.*, Hyderabad, Mysore, PEPSU and Travancore-Cochin.

(In Lakhs of Rupees)

	Estimated Yield
HYDERABAD	
Levy of sales-tax on liquor, *ganja* and opium ; Revision of the Stamp and Court Fees Acts ; Enhancement of the rates of Motor Vehicles Taxation ; Development Cess at the rate of one anna in the rupee on amounts payable by the Excise and Forest Contractors to Government ; Reduction from Rs. 10,000 to Rs. 6,000 in the exemption limit of agricultural income-tax	40
MYSORE	
Levy of agricultural income-tax on plantations and certain lucrative commercial crops on a sliding scale	20
PEPSU	
Tax on goods and passengers carried by motor vehicles .. .. Revision of General and Motor Spirit Sales-Tax Acts .. .. Revision of Court Fees Act and enhancement of the rate of duty on entertainments	13
TRAVANCORE-COCHIN†	
Betterment levy on lands which have benefited by irrigation works .. .. Levy of sales-tax on cash crops like ginger, cardamom, copra, pepper, lemon grass oil, etc. and certain other changes in sales-tax. .. .. Levy of sales-tax on motor spirit, including petrol, at a single point but at an enhanced rate	26
Total	99

† Credit has been taken in the budget. No credit has been taken by the other States.

Capital Account

Receipts and disbursements on capital account of Part B States which amounted to Rs. 32 crores and Rs. 43 crores, respectively, in 1951-52 are estimated to show increases of Rs. 63 crores and Rs. 45 crores, respectively, by the close of the Plan period. Taking into account the net position under remittances etc., the deficit on capital account totalled Rs. 20 crores in the first three years. In 1954-55 (RE) and 1955-56 (BE), receipts are estimated to increase more than disbursements, and surpluses on capital account (including net remittances) of Rs. 6 crores and Rs. 7 crores, respectively, are expected. A more or less even position is shown, despite an increase of Rs. 42 crores in development expenditure during the two years, principally due to the substantial increase of Rs. 46 crores in (net) loans from the Centre. The increase in disbursements on capital account has been almost entirely under development expenditure, which has been stepped up from Rs. 21 crores in 1951-52 and 1953-54 to Rs. 42 crores in 1954-55 and to Rs. 63 crores in 1955-56.

Finances of Part C States :

The combined revenue account of six* Part C States *viz*., Ajmer, Bhopal, Coorg, Delhi, Himachal Pradesh and Vindhya Pradesh, which have separate consolidated funds, is shown in Statement 55. The consolidated revenue account of these States shows a deficit of Rs. 1 crore for 1954-55 (RE) and of Rs. 0.9 crore for 1955-56 (BE) as compared to a surplus of Rs. 1.6 crores in 1953-54. Total revenue in 1954-55 at Rs. 18 crores shows a rise of Rs. 2·3 crores over the level in 1953-54, while total expenditure at Rs. 19 crores shows an increase of Rs. 4·9 crores. Revenue and expenditure in 1955-56 are estimated to show increases of Rs. 3 crores and Rs. 3·4 crores, respectively, over the levels in 1954-55. The increase in revenue is attributable to larger Central assistance, while the rise in expenditure is due to larger spending of a developmental nature.

Railway Budget

General.—Net railway surpluses are estimated to be larger in 1954-55 (RE) and 1955-56 (BE) than in 1953-54 (*vide* Statement 56 and Graph 16). Gross earnings have steadily improved and, in 1955-56, they are expected to be somewhat higher than in 1951-52, which was a boom year for the railways. Revision‡ of fares and freights effected in the budget for 1955-56 is mainly intended to give relief to long distance passengers and traffic. The outlay on the development and rehabilitation of railways is stepped up substantially in 1955-56 (by Rs. 31 crores to Rs. 127 crores). Inclusive of the projected outlay in 1955-56, capital

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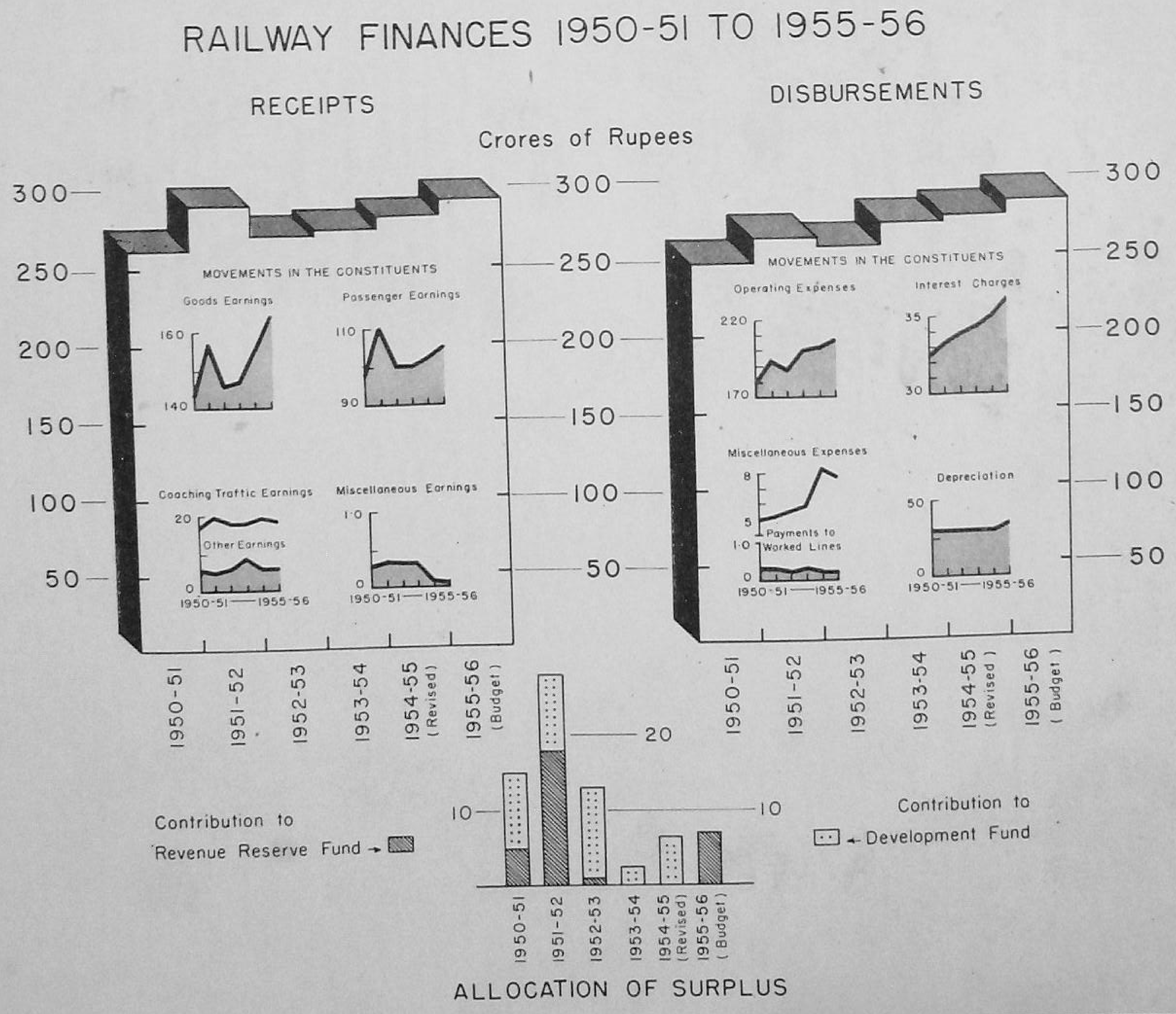
* Other Part C States *viz*. Kutch, Manipur and Tripura, do not have separate budgets and their transactions are reflected in the Central budget. Bilaspur's is now combined with that of Himachal Pradesh following the merger of the two States.

‡ The changes include (*i*) a revision of passenger rates on the basis of telescopic fare structure of 3 legs (the first upto 150 miles, the second from 151 to 300 miles and the third 301 miles and over) ; an increase was made in the fares on the first leg and a reduction in the fares on the third leg, while the second leg fares were left untouched ; (*ii*) a reduction in the 'wagon load scale' charged to foodgrains and fertilisers ; (*iii*) a reduction in 'class rates' for distances beyond 600 miles and an enhancement of the same for the first 300 miles, while the freight rates for 301-600 miles range were left untouched; and (*iv*) a reduction from 2 annas to 1 anna in the charge for platform tickets. Concessions are also given to certain classes of passengers—students, *kisans*, pilgrims etc. to encourage railway travel.

GRAPH 16


RAILWAY FINANCES 1950-51 TO 1955-56
RECEIPTS
DISBURSEMENTS
Crores of Rupees
300
250
200
150
100
50
MOVEMENTS IN THE CONSTITUENTS
Goods Earnings
Passenger Earnings
Coaching Traffic Earnings
Other Earnings
Miscellaneous Earnings
Operating Expenses
Interest Charges
Miscellaneous Expenses
Payments to Worked Lines
Depreciation
1950-51 — 1955-56
1950-51
1951-52
1952-53
1953-54
1954-55 (Revised)
1955-56 (Budget)
Contribution to Revenue Reserve Fund
Contribution to Development Fund
20
10
ALLOCATION OF SURPLUS

expenditure of railways is expected to amount to Rs. 418 crores by the close of 1955-56, or Rs. 18 crores more than the outlay originally envisaged under the Plan ; of this, Rs. 266 crores will be met from railway revenues and the balance of Rs. 152 crores will be provided by the Central Government.

Railway Convention Committe, 1954.—A significant development during the year was the submission of the Report of the Railway Convention Committee in November 1954. The Committee was appointed in May 1954 in terms of the Convention Resolution of December 1949 to examine, *inter alia*, (*i*) the rate of dividend payable by the railways to General Revenues, (*ii*) the allocation of railway expenditures as between capital and revenue accounts and (*iii*) the appropriations to be made to each of the three Railway Funds, *viz*., the Depreciation Reserve Fund, the Development Fund and the Revenue Reserve Fund.

According to the Committee, the present practice of payment of a fixed rate of dividend on capital-at-charge of the railways to the General Budget was to be continued. As regards the rate of dividend, the Committee recommended that the existing rate of 4 per cent on capital-at-charge should remain unaltered for a period of 5 years from 1955-56. The Committee, however, recommended a lower rate of dividend on the element of over-capitalisation, estimated roughly at Rs. 100 crores, and on outlays on construction of new lines.

As regards contribution to the Depreciation Reserve Fund, the Committee recommended the raising of the annual appropriation from Rs. 30 crores to Rs. 35 crores in the next five years, in view of the increase in depreciable assets of railways as a result of annual additions to stock. The Committee also suggested that the cost of replacement of assets created out of withdrawals from the Development Fund should also be met out of the Depreciation Reserve Fund.

Regarding the Development Fund, the Committee recommended that the entire expenditure on unremunerative operating improvement works costing more than Rs. 3 lakhs each and outlays on quarters for class III and class IV staff should be financed from this Fund in addition to the present practice of earmarking Rs. 3 crores for provision of amenities to the users of railways. The Committee made no specific recommendations about the appropriation to the Revenue Reserve Fund.

Finally, the Committee recommended that the position of railway revenues should again be reviewed at the end of the next quinquennium by a Parliamentary Committee.

These recommendations were adopted in the Railway Budget for 1955-56.

1953-54, Accounts.—The increase in receipts over the revised estimates for 1953-54 was more than offset by the rise in total working expenses. In consequence, the appropriation to the Development Fund, after setting aside the dividend (Rs. 34 crores) to general revenues, amounted only to Rs. 2·6 crores as compared to the revised estimate of Rs. 3·2 crores.

1954-55, Revised.—Compared to the budget for 1954-55, the revised estimates for that year disclose an increase of Rs. 1·4 crores to Rs. 6·6 crores in net surplus, after paying Rs. 35 crores as dividend to general revenues. The surplus is allocated to the Development Fund.

1955-56, Budget.—The budget estimates for 1955-56 place total receipts at Rs. 293 crores, and total working expenses at Rs. 249 crores, an increase of

Rs. 10 crores in total receipts and of Rs. 8 crores in total working expenses over 1954-55 (RE). The net operating surplus (Rs. 43 crores) is estimated to be Rs. 1·7 crores larger than in 1954-55. After payment of Rs. 36 crores by way of dividend to general revenues, the balance of Rs. 7 crores is to be credited to the Revenue Reserve Fund.

Receipts are placed higher owing partly to the expectation of increased yields from goods traffic and partly to the additional revenue anticipated from fare and freight changes made in the budget. The increase in working expenses is mainly due to (*i*) increased expenditure under 'repairs and maintenance' and operating staff and (*ii*) the changes in the railways' costs schedule arising from the recommendations of the Railway Convention Committee. In accordance with these recommendations, appropriation to the Depreciation Reserve Fund was raised from Rs. 30 crores in 1954-55 (RE) to Rs. 35 crores in 1955-56 (BE) and the provision for outlay on 'open line works' was reduced by about Rs. 1 crore by transfer of the entire outlay on unremunerative improvement works costing over Rs. 3 lakhs each to the Development Fund.

Capital Expenditure.—The 1954-55 revised estimates of expenditure on works, machinery and rolling stock (including works chargeable to revenue) are expected to amount to Rs. 95·6 crores. A record provision of Rs. 127 crores is made for capital outlay in the 1955-56 budget. Of this, capital expenditure on rolling stock (Rs. 77 crores) and construction of new lines and open line works (Rs. 45 crores) account for over 50 per cent and 30 per cent of the total outlay.

Railway Funds.—Statement 57 gives the balances in the Railway Funds since 1950-51. The outstanding balances in the Depreciation, Development and Revenue Reserve Funds show a reduction from Rs. 157 crores at the end of 1950-51 to about Rs. 150 crores at the end of 1955-56. While balances in the Depreciation Reserve and Development Funds will have declined by Rs. 25 crores and Rs. 16 crores, respectively, that in the Revenue Reserve Fund will have increased by Rs. 33 crores.

B. PUBLIC DEBT

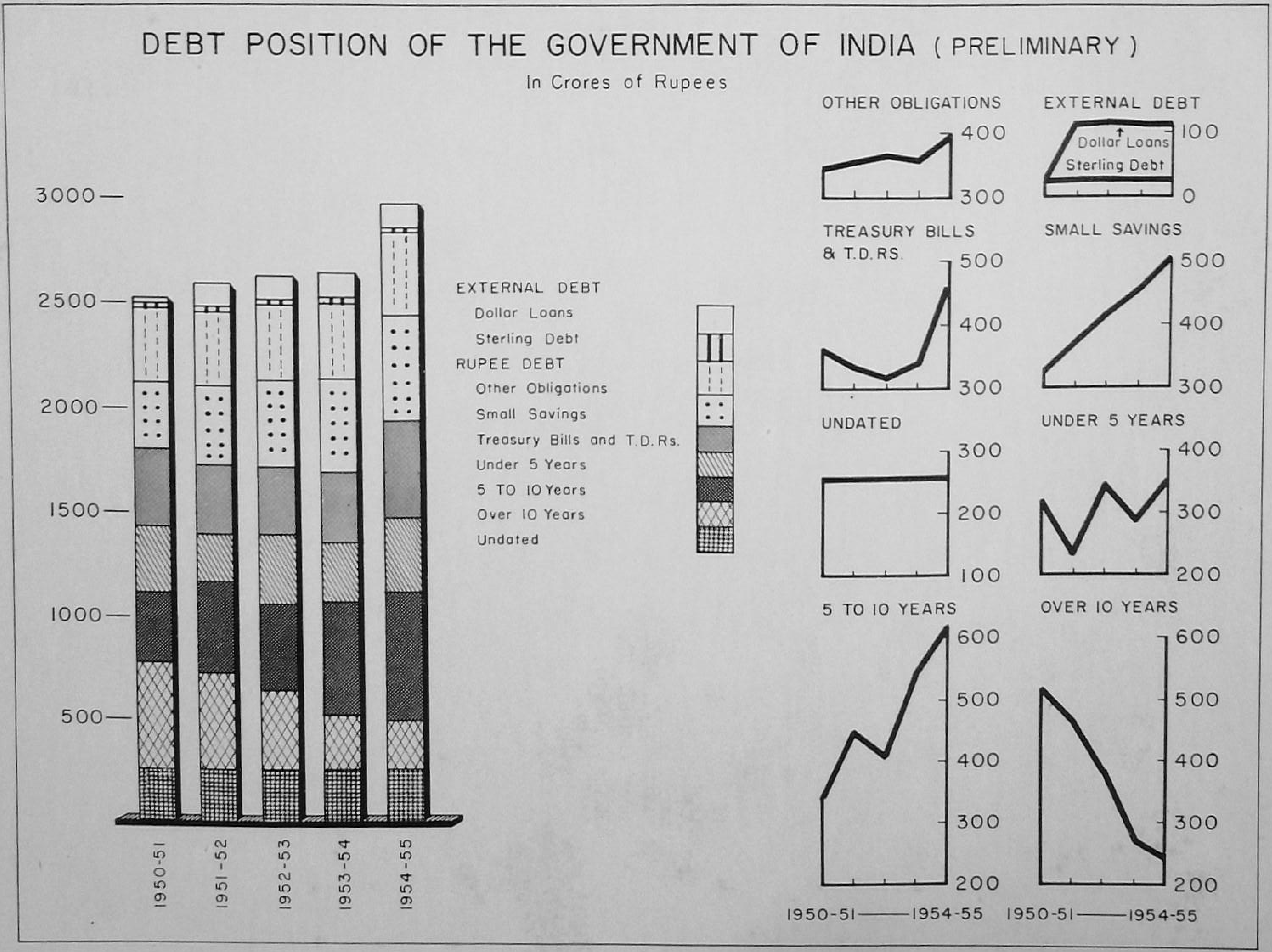
Union Government

General.— Interest-bearing obligations of the Government of India have been rising continuously since 1948-49 ; they went up sharply in 1954-55 by Rs. 344 crores to Rs. 3,039 crores. Of the outstanding total at the end of March 1955, internal obligations amounted to Rs. 2,900 crores, and external debt to Rs. 139 crores. The large increase of Rs. 346 crores in domestic obligations was spread over all the constituent items, but mainly under floating debt (Rs. 150 crores*), permanent debt (Rs. 109 crores*), and small savings (Rs. 50 crores*). Total interest-bearing obligations are estimated to show a further rise of Rs. 470 crores to Rs. 3,509 crores by the close of March 1956, owing mainly to an anticipated substantial expansion (Rs. 340 crores) under floating debt (*vide* Statement 58).

The 3½ per cent National Plan Loan, 1964, referred to earlier, which was floated on April 19, 1954 for an unspecified amount, was closed for subscriptions

* Based on revised estimates in the budget of the Government of India.

GRAPH 17


DEBT POSITION OF THE GOVERNMENT OF INDIA (PRELIMINARY)
In Crores of Rupees
3000
2500
2000
1500
1000
500
1950-51
1951-52
1952-53
1953-54
1954-55
EXTERNAL DEBT
Dollar Loans
Sterling Debt
RUPEE DEBT
Other Obligations
Small Savings
Treasury Bills and T.D.Rs.
Under 5 Years
5 TO 10 Years
Over 10 Years
Undated
OTHER OBLIGATIONS
400
300
EXTERNAL DEBT
Dollar Loans
Sterling Debt
100
0
TREASURY BILLS & T.D.RS.
500
400
300
SMALL SAVINGS
500
400
300
UNDATED
300
200
100
UNDER 5 YEARS
400
300
200
5 TO 10 YEARS
600
500
400
300
200
OVER 10 YEARS
600
500
400
300
200
1950-51——1954-55
1950-51——1954-55

on September 15, 1954. Total subscriptions to the loan amounted to Rs. 158·1 crores. Of this, Rs. 25·5 crores was allocated to State Governments.

Two Central Government loans, *viz.*, 2¼ per cent Loan, 1954 (Rs. 35·1 crores) and 3½ per cent Loan, 1954-59 (Rs. 13 crores), were repaid on maturity during the year.

Interest-yielding assets of the Government of India stood at Rs. 2,266 crores at the end of 1954-55, or Rs. 262 crores higher than the 1953-54 level, and constituted three-fourths of the total interest-bearing obligations. There were increases of Rs. 221 crores in loans to States, of Rs. 41 crores in capital invested or advanced to commercial undertakings, and of Rs. 27 crores in investment in railways, but these were partly offset by a reduction under debt due from Burma (Rs. 48 crores)† and annuities for sterling pensions (Rs. 8 crores). By the close of 1955-56, interest-yielding assets are estimated to show a further rise of Rs. 402 crores to Rs. 2,668 crores.

Composition of Debt.—At the close of 1954-55, the total rupee debt* of the Government of India amounted to Rs. 2,840 crores as against Rs. 2,505 crores at the end of 1953-54 (*vide* Statement 59 and Graph 17). Of this, debt on account of rupee loans amounted to Rs. 1,475 crores. Medium-term (between 5 and 10 years) and short-term (under 5 years) debt at 42 per cent and 24 per cent accounted for two-thirds of the outstanding rupee loans. Of the total rupee debt, the share of long-term debt (over 10 years) showed a decline from 11 per cent to 9 per cent during 1954-55. Treasury bills, at Rs. 472 crores, constituted 17 per cent, a rise of over 3 per cent during the year. Although small savings (outstanding) rose by Rs. 52 crores‡ in 1954-55, their percentage to total rupee debt remained unchanged at 18 per cent.

During 1954-55, outstanding Treasury bills showed a rise of Rs. 137 crores§ to Rs. 472 crores (*vide* Statements 61 and 62) as against an increase of Rs. 20 crores in 1953-54. *Ad hoc* Treasury bills held by the Reserve Bank increased by Rs. 103 crores to Rs. 357 crores during the financial year 1954-55. Treasury bills held by State Governments, approved bodies and the public together showed a rise of Rs. 34 crores. Gross sales of Treasury bills, including renewals, in 1954-55 amounted to Rs. 1,547 crores.

Repatriation of Sterling Debt.—During 1954-55, sterling debt of the face value of £0·1 million was repatriated at a cost of Rs. 0·14 crore. The total sterling debt repatriated as at the close of 1954-55 amounted to £329·1 million and the rupee counterparts created totalled Rs. 274·2 crores.

Small Savings.—During 1954-55, gross receipts and repayments of small savings totalled Rs. 173 crores and Rs. 121 crores, respectively, resulting in a net receipt of Rs. 52 crores‡ as against a net receipt of Rs. 38 crores in 1953-54 (*vide* Statement 63).

† Debt from Burma was reduced to Rs. 20 crores in 1954-55 and became non-interest bearing. This amount is to be adjusted for rebate on rice purchases and for aid under the Colombo Plan.

* Total rupee debt comprises total interest-bearing obligations *minus* deposits and external debt, *plus* balances of special floating and expired loans. This differs from the public debt (internal) as shown in the Explanatory Memorandum to the General Budget in that unfunded debt is also included here.

‡ These are the actuals for 1954-55, as against Rs. 50 crores in the revised estimates for that year.

§ Actual increase based on Reserve Bank data.

National Savings Certificates, including the Ten-Year National Plan Certificates, accounted for the largest rise, namely 52 per cent, while post office savings bank deposits with 40 per cent came next in importance. Fifteen-Year Annuity Certificates, the new series which was introduced in July 1954, yielded Rs. 0·5 crore during 1954-55.

As a further incentive to stimulate small savings, the Government of India agreed to loan to the States half of the excess over eighty per cent of the target set for each State in addition to the excess collections of small savings over the target stipulated for each State.

Government Balances and Ways and Means Advances.— During 1954-55, the cash balances of the Central Government showed a net decline of Rs. 7.4 crores to Rs. 33.5 crores, due to a fall in the balances with the Reserve Bank as well as those with the Treasuries (*vide* Statement 64).

The Centre did not resort to ways and means advances during the year.

State Governments

Debt Position of Part A States.—During 1954-55, the gross debt of Part A States recorded a steep rise of Rs. 183 crores to Rs. 728 crores (*vide* Statement 60). The increase was mainly due to larger loans from the Central Government, which rose by Rs. 160 crores to Rs. 558 crores, and constituted 77 per cent of total debt. Permanent debt, floating debt and unfunded debt at the end of March 1955 were also higher by Rs. 13 crores, Rs. 6 crores and Rs. 4 crores, respectively. Provision for reduction or avoidance of debt, at Rs. 12 crores, was nearly double the preceding year's level.

State Loans.—Although the State Governments made a total provision of Rs. 25 crores in their 1954-55 budgets for market loans, they did not enter the market, as mentioned earlier. In addition to receiving a share in the National Plan Loan, Saurashtra was the only State which approached the market in November 1954 directly to borrow an amount of Rs. 2·3 crores for meeting the requirements of Local Bodies. The issue price of the loan was fixed at Rs. 98 per cent from November 1 to November 6, 1954 and at Rs. 98–1 per cent from November 8 to November 13, 1954. The subscriptions to the loan totalled Rs. 2·5 crores.

No State Government loan matured for payment during the year. The State Governments did not resort to borrowing through the issue of Treasury bills.

Balances and Ways and Means Advances.—The month-end balances of Part A and Part B States with the Reserve Bank and Government Treasuries are given in Statement 64. The average cash balances of Part A States (Rs. 22·1 crores) were smaller than in 1953-54 (Rs. 24·5 crores) ; cash balances at the end of 1954-55 (Rs. 57·6 crores) were Rs. 2·9 crores higher than at the end of 1953-54. In the case of Part B States, cash balances with the Reserve Bank showed an increase of Rs. 3·3 crores to Rs. 15·5 crores during the year.

During 1954-55, five Part A States (Madras, Andhra, U. P., Punjab and Bihar) and four Part B States (Hyderabad, Madhya Bharat, Saurashtra and

Travancore-Cochin) resorted to ways and means advances, such advances amounting to Rs. 15·5 crores in the case of Part A States and Rs. 10·6 crores in the case of Part B States. Madras (Rs. 8·3 crores), U. P. (Rs. 3·2 crores) and Andhra (Rs. 2·2 crores) among Part A States, and Hyderabad and Travancore-Cochin (Rs. 5·1 crores each) among Part B States, accounted for the major portion of these advances. In the case of Part A States, advances in December 1954 at Rs. 3·3 cro es and in the case of Part B States in October 1954 at Rs. 1·9 crores were the highest for the year. No advances were outstanding with the State Governments at the end of 1954-55.

VIII. BALANCE OF PAYMENTS

General.—From a substantially surplus position in 1953, India's external accounts were more or less in balance in 1954, the latest year for which data are available. The change between the two years reflects in the main the impact of the buoyancy in industrial output and the rising tempo of development expenditure, and would have been sharper but for the outstanding improvement in food and agricultural production at home, the favourable movement in the terms of trade and a moderately (3 per cent) larger volume of exports. The rise in exports, though modest, gained special significance against the huge fall that occurred in 1953. Reduced purchases of foodgrains abroad led to a sharp contraction of imports on Government account, but this was more than offset by the rise in private imports which were facilitated by a more liberal import policy designed, *inter alia*, to assist the progress of industrial development. The volume of total imports was 3·2 per cent higher than in 1953. The external payments position in 1954 was thus balanced at a higher level of trade than in 1953 ; the increase in terms of value in India's foreign trade (5·6 per cent) during the year was in fact larger than the rise in the level of world trade (3·6 per cent).

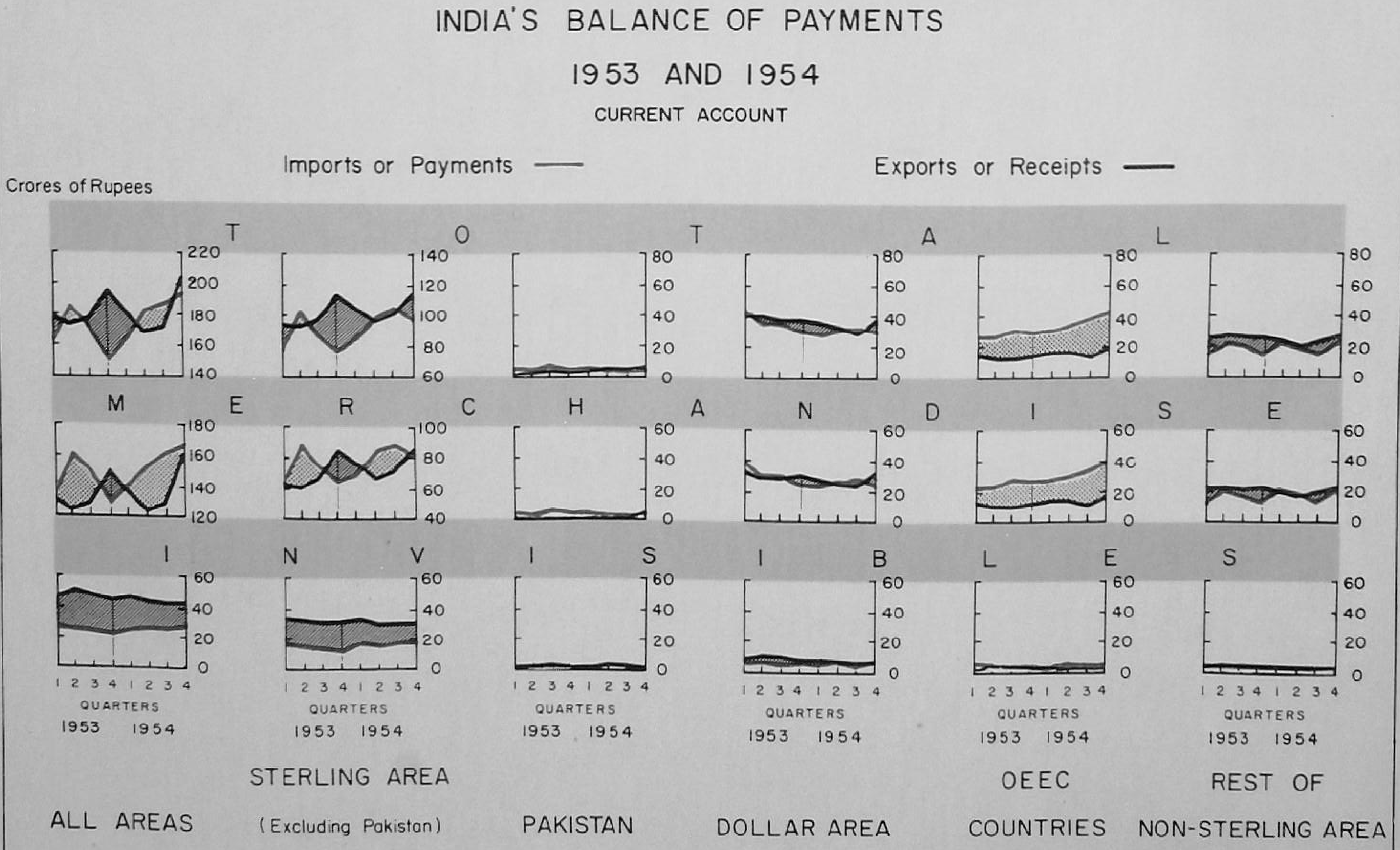
Both import and export prices moved favourably for India in 1954 ; import prices fell by about 3 per cent and there was a more or less equivalent rise in export prices, giving an 8 per cent improvement in the terms of trade. As a result, earnings from exports tended to be higher and payments for imports lower than they would otherwise have been. Among exports, tea is worthy of mention since the earnings from it touched a post-war high on account of the sustained firmness in external demand.

Because of the larger rise in imports than exports, the adverse trade balance during the year nearly doubled to Rs. 75·7 crores. The trade surplus on private account fell sharply from Rs. 103·3 crores in 1953 to Rs. 40·1 crores in 1954, while the deficit on account of Government merchandise transactions narrowed from Rs. 142·4 crores to Rs. 115·8 crores. Receipts from invisibles declined by Rs. 18·4 crores to Rs. 79·4 crores, mainly attributable to lower official donations* (i.e., chiefly, aid received under the Colombo Plan, the Indo-U.S. Technical Cooperation Agreement and from the Ford Foundation).

Preliminary estimates of India's balance of payments for 1954 showed a surplus on current account of Rs. 3·7 crores—a sharp decline from the surplus of Rs. 58·7 crores in 1953 (*vide* Statement 66 and Graph 18). Corresponding to the surplus on current account there was a net investment on capital account of

* The figure for these donations is likely to be raised when complete data are received and it may well turn out that the decline in the provisional figures was only apparent.

GRAPH 18


INDIA'S BALANCE OF PAYMENTS
1953 AND 1954
CURRENT ACCOUNT
Imports or Payments
Exports or Receipts
Crores of Rupees
TOTAL
MERCHANDISE
INVISIBLES
QUARTERS
1953 1954
STERLING AREA (Excluding Pakistan)
ALL AREAS
PAKISTAN
DOLLAR AREA
OEEC COUNTRIES
REST OF NON-STERLING AREA

Rs. 11·9 crores, the difference between the two accounts being due to errors and omissions. The Table below sets out the broad details in summary form.

India's Balance of Payments—Summary

(Value in Crores of Rupees)

	1954 : By Quarters (Preliminary)				Year	
	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	1954 (Preliminary)	1953 (Final)
Imports *c.i.f.* values						
(*a*) Private	119·6	134·0	122·8	130·9	507·3	422·8
(*b*) Government	20·2	23·3	38·6	35·1	117·2	152·3
Total Imports (a+b)	139·8	157·3	161·4	166·0	624·5	575·1
Exports *f.o.b.* values						
(*c*) Private	134·9	123·9	128·4	160·2	547·4	526·1
(*d*) Government	0·6	0·4	0·2	0·2	1·4	9·9
Total Exports (*c*+*d*)	135·5	124·3	128·6	160·4	548·8	536·0
Trade Balance						
(*e*) Private	+15·3	− 10·1	+ 5·6	+ 29·3	+ 40·1	+103·3
(*f*) Government	− 19·6	− 22·9	− 38·4	− 34·9	−115·8	−142·4
Trade Balance (*e*+*f*)	− 4·3	− 33·0	− 32·8	− 5·6	− 75·7	− 39·1
Official Donations (Net) ..	+ 3·2	+ 1·4	+ 0·4	..	+ 5·0	+ 18·4
Other Government Invisibles (Net)*	+ 4·5	+ 6·1	+ 6·1	+ 2·9	+ 19·6	+ 22·0
Private Invisibles (Net) ..	+ 15·5	+ 12·4	+ 12·3	+ 14·6	+ 54·8	+ 57·4
Current Account (Net) ..	*+ 18·9*	*− 13·1*	*− 14·0*	*+ 11·9*	*+ 3·7*	*+ 58·7*
Errors and Omissions (Net) ..	*+ 6·6*	*− 9·1*	*+ 10·6*	*+ 0·1*	*+ 8·2*	*− 2·8*
Capital Account (Net) ..	*+ 25·5*	*− 22·2*	*− 3·4*	*+ 12·0*	*+ 11·9*	*+ 55·9*
Imports : Quantity Index (1952-53=100)	84	97	99	110	98	95
Exports : Quantity Index (1952-53=100) ..	98	85	102	117	101	98
Imports : Unit Values Index (1952-53=100) ..	92	90	90	92	91	94
Exports : Unit Values Index (1952-53=100) ..	95	99	98	101	98	94
Net Terms of Trade†	*103*	*110*	*109*	*110*	*108*	*100*

† Ratio of export price index to import price index. * Represents identifiable Government Transactions.

Imports.—Aggregate imports rose during the year by Rs. 49·4 crores to Rs. 624·5 crores ; those on commercial account went up by Rs. 84·5 crores to Rs. 507·3 crores, while Government imports declined by Rs. 35·1 crores to Rs. 117·2 crores. The increase in commercial imports was spread over most items. Among the principal items, raw cotton imports were about Rs. 11 crores higher than in the preceding year. Oils (mainly mineral oil) also showed a rise of Rs. 2 crores. But the largest increase occurred, as might be expected in a developing economy, in machinery and vehicles which together went up by about Rs. 27 crores to Rs. 114 crores. Raw jute provided an exception to this general trend, imports of this commodity being somewhat lower than in 1953.

Government's import policy, particularly in the latter half of the year, tended towards general liberalisation (*vide* Statement 69). The policy for the first half of 1954

continued to be the one in force for the preceding licensing period, July-December 1953, subject, however, to certain changes which were considered necessary for sustaining the progress of industrial and agricultural development. Hence, increased imports of industrial equipment and raw materials and of consumer goods were permitted. As against this, import quotas of some items were stepped down in the light of increased industrial production at home in certain lines. Import quotas for betel nuts, safety razor blades, flash light cases, essential oils, moulding powders etc. were increased. Provision was also made for the grant of additional licences to established importers for increased imports of machinery, active finishing agents and scientific and optical instruments. Imports for which quotas were reduced included table fans, jams and jellies, lead pencils, hand-knitting wools and a variety of engineering stores like iron and steel screws (other than machine screws), brass, lead and copper wrought and copper wire. The licensing of imports of raw cotton from the dollar area was liberalised by withdrawal of the requirement that importers should produce evidence of prior sales to mills. In the latter half of the year, the policy was further liberalised. For instance, the import quota for rayon yarn was increased from 15 per cent to 25 per cent. Also greater facilities for the import of hard currency goods were granted and the quotas for razor blades, woollen fabrics etc. were enlarged. However, import duties on certain items such as motor cars, cotton fabrics, razor blades etc. were raised. The policy for the first half of 1955, announced towards the end of 1954, carried the general liberalisation a step further. Licensing of a number of items, such as emery fillets, crocus paper, brass reeds, chrome splits and yeast was liberalised. Quotas were enhanced in cases where shortages had been felt : these included flash light cases, sheet and plate glass, zip fasteners and certain chemicals. Token quotas were granted for items like pickers, card cans and certain leather and textile manufactures, which were hitherto in the banned list. Of special significance was the relaxation effected in respect of dollar imports ; thus, quotas in the case of certain metal working tools, and machinery were increased ; in the case of motors, pumps, electric control gears, essential oil etc., holders of soft currency licences were permitted to utilise a portion of these licences for imports from the dollar area. The progress made in domestic production enabled a reduction in the import quotas in certain lines like woollen fabrics, some drugs and medicines, cork manufactures and motor vehicle parts, such as sparking plugs and shock absorbers.

The downward trend in Government imports noticed in 1953 continued. Imports financed by foreign aid (under the Colombo Plan and the Indo-American Technical Co-operation Agreement) amounted to about Rs. 5 crores as against Rs. 17 crores in the preceding year. If these are excluded, the fall in Government imports during 1954 amounted to about Rs. 23 crores and was entirely accounted for by lower foodgrain imports of about 0·8 million tons as compared with 2 million tons in 1953 and 4·7 million tons in 1951. In contrast, imports of non-food items on Government account, other than those financed by aid, rose moderately.

Exports.—During 1954, exports showed a moderate rise of Rs. 12.8 crores to Rs. 548·8 crores, which contrasts sharply with the decline of Rs. 113 crores in the preceding year. The increased earnings were concentrated in the three principal export commodities, jute and cotton manufactures, and tea, whose earnings rose as compared to the preceding year by Rs. 12 crores, Rs. 8 crores and Rs. 16 crores, respectively (*vide* Statements 70-73).

Earnings from tea rose to a post-war peak in 1954 owing mainly to sustained firmness in external prices. As against this, higher receipts from jute and cotton textiles were largely due to increases in quantity, since prices were steady or rose only slightly. As a result of the continued increase in the external demand for jute manufactures and tea, measures were taken to make larger supplies available for export. For instance, jute mills increased their working hours from a reduced level of 42½ hours to 45 hours a week from July 1954 and further to 48 hours a week from October 1954. Export quotas of tea were stepped up successively during the course of the year. The increase granted in January 1955 raised the quota for the 1954-55 crop to 464·8 million lbs. or 133·5 per cent of the standard quota. This formed part of Government's overall policy of export promotion through adjustments in export quotas and duties. Export duties on a number of items like manganese, black pepper, mustard oil, groundnut oil, linseed oil, castor oil etc. were either reduced or abolished. The export duty on tea, however, was increased in October 1954 and January 1955 ; effective from March 1955 a slab system was introduced, the rate of duty varying with the price fetched by tea (*vide* Statement 74). Extensions of the period of free licensing of exports were granted in respect of cotton piecegoods, wool waste, linseed and kardi-seed, and their oils etc (*vide* Statement 75). Export promotion councils were set up during the year for cotton textiles, silk and rayon ; and provision was made for giving a drawback of import duty on raw materials and components utilised in the manufacture of several articles which are exported, such as linoleum and artificial fabrics.

Invisibles.—Net invisible receipts fell during the year by Rs. 18·4 crores to Rs. 79·4 crores. This was mainly because of the fall in official donations by Rs. 13·4 crores to Rs. 5.0 crores and this decline, as has been noted above, was only apparent since complete data relating to such transactions are not available†. Private invisible receipts (net) also showed a slight fall of about Rs. 2·6 crores, but this was mainly because of the improvement in classification in the 1954 data by which certain unilateral transfers which had been formerly included in the capital account were included under private donations.

Quarterly Movements.—It will be seen from the Table on page 74 that the surpluses in the first and last quarters of the year were mostly offset by deficits in the second and third quarters. While this conformed broadly to the usual seasonal pattern, there were a few exceptional features. The change from a surplus of Rs. 18.9 crores in the first quarter to a deficit of Rs. 13·1 crores in the second was the outcome, not only of a fall in exports, but also of a rise in imports, which was entirely on commercial account and distributed widely among the chief commodities. Lower earnings from tea was one of the factors responsible for the fall in exports and was the result of the depletion in domestic stocks owing to the somewhat early completion of the tea export season. Indeed, the level of exports during this quarter was the lowest for the whole year. There was no material change in the payments position during the third quarter, the deficit for this quarter being of the order of Rs. 14·0 crores. A small recovery in exports was mostly offset by the rise in imports. A seasonal decline in private imports (for instance, raw cotton) no doubt took place, but this was more than counteracted by increased payments

† The incompleteness of the data does not affect the net position.

on account of Government imports, particularly of food. In the fourth quarter, there was, as usual, a surplus, but it was much smaller (Rs. 11.9 crores) than in the corresponding quarter of 1953 (Rs. 47.8 crores), attributable mainly to the much higher level of imports. The revival in exports in the quarter (about Rs. 32 crores) was, indeed, larger than in the corresponding quarter of 1953 (Rs. 23 crores). Of the rise in exports during this quarter, more than half was accounted for by tea alone which registered an increase of over Rs. 17 crores. Earnings from jute manufactures rose by about Rs. 4 crores.

Regional Pattern.—An analysis of the regional payments position in 1954 showed that transactions with all areas, except Pakistan, contributed to the reduction in the overall surplus from the 1953 level (*vide* Table below and also Statements 77 and 78). Thus, as compared to 1953, the surpluses with the sterling area excluding Pakistan, the dollar area, and the rest of non-sterling area other than OEEC countries were reduced ; with the OEEC countries, the deficit was widened; and with Pakistan, the small deficit turned into a moderate surplus.

Regional Surplus (+) or Deficit (–)

(Crores of Rupees)

	1954				Year	
	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	1954	1953
Sterling area (excluding Pakistan)	+ 20·9	– 1·2	– 1·7	+ 17·9	+ 35·9	+ 58·0
Pakistan	– 0·2	+ 1·5	+ 1·5	+ 1·8	+ 4·7	– 2·2
Dollar area	+ 9·1	+ 1·5	– 0·9	+ 8·4	+ 18·0	+ 19·6
OEEC countries	– 13·1	– 16·6	– 22·6	– 21·5	– 73·8	– 54·2
Rest of non-sterling area ..	+ 2·3	+ 1·7	+ 9·6	+ 5·3	+ 18·9	+ 37·6
Total ..	**+ 18·9**	**– 13·1**	**– 14·0**	**+ 11·9**	**+ 3·7**	**+ 58·7**

The surplus with the sterling area (excluding Pakistan) declined from Rs. 58.0 crores to Rs. 35.9 crores in 1954. The increase in imports was larger than in exports. The rise in imports seemed to have been widely distributed, machinery being a significant item. Raw cotton imports, on the other hand, were lower, there being a switch to the dollar area for them. Of the rise in exports of Rs. 21.5 crores, jute manufactures and cotton textiles accounted for Rs. 14 crores and Rs. 2 crores, respectively. Invisible receipts (net), other than official donations, were lower than in 1953. The fall was largely the result of classification changes, already mentioned.

With Pakistan, a current account deficit of Rs. 2·2 crores in 1953 was changed into a surplus of Rs. 4.7 crores during 1954. Imports fell by Rs. 1.4 crores to Rs. 12.7 crores, because of somewhat lower raw jute imports, and exports were higher by Rs. 3.6 crores. The rise in exports, though moderate, is significant when viewed against the somewhat severe import restrictions in operation in Pakistan in 1954. Almost the entire increase in exports was accounted for by cotton textiles, which rose from a mere Rs. 34 lakhs in 1953 to nearly Rs. 3 crores in 1954. Invisible receipts (net) were also higher at Rs. 6·4 crores as against Rs. 4.5 crores in the preceding year.

The surplus of Rs. 18·0 crores with the dollar area was only slightly less than that in 1953. The decline in imports, of Rs. 21·1 crores, was entirely accounted

for by Government imports since private imports were higher. Government imports (Rs. 20·2 crores) were only about one-third of what they had been in 1953. Of this decline, food imports accounted for the major share ; imports financed by aid were also lower. More than half the increase in imports on private account was due to raw cotton imports which registered a sharp rise of about Rs. 15 crores. Exports fell by Rs. 11·6 crores. Exports of metallic ore were nearly halved. Black pepper also earned less—Rs. 6·7 crores as compared with Rs. 10·2 crores. As against these, there were small increases in tea (Rs. 3 crores) and jute manufactures (Rs. 2 crores). Owing to incomplete coverage, receipts in 1954 under official donations (chiefly, under the Indo-American Technical Co-operation Agreement) are not strictly comparable with those in 1953. Other invisible receipts (net) remained virtually unchanged at the 1953 level of around Rs. 2 crores.

Among the other non-sterling countries, the deficit with the OEEC countries increased by Rs. 19.6 crores to Rs. 73·8 crores and was entirely the result of a wider adverse trade balance. Government and private imports recorded increases of Rs. 9.1 crores and Rs. 19·8 crores, respectively. The increase in Government imports reflected larger purchases of stores and sugar from this area. Among commercial imports, machinery and rayon textiles recorded sizeable increases. The rise in imports was, however, partially offset by the increase in exports of Rs. 9.3 crores to Rs. 54.0 crores. Exports of jute manufactures showed a rise of Rs. 2.3 crores to Rs. 8.5 crores. Earnings from cotton textiles were slightly higher, while those from tea were maintained at around the preceding year's level of Rs. 3.6 crores. Invisible receipts (net) were unchanged at the preceding year's level of Rs. 1.7 crores.

The surplus with the rest of the non-sterling area countries was halved. The favourable trade balance was reduced to Rs. 11.5 crores from Rs. 31.3 crores because of a rise of Rs. 10 crores in imports and a fall of about the same order under exports. The rise in imports was the result of a rise in private imports of Rs. 13.9 crores and a fall of Rs. 3.9 crores under Government imports. Among private imports, imports of miscellaneous commodities like paper and paste board were higher. Reduced payments for food purchases accounted for the decline in Government imports. The decline in exports occurred in jute manufactures (Rs. 5 crores) and miscellaneous exports ; it was only partially counterbalanced by a rise of about Rs. 4 crores under cotton textiles. Invisible receipts (net) including official donations showed a rise of Rs. 1 crore to Rs. 7.4 crores.

Capital Account.—Transactions on capital account showed a smaller net investment (Rs. 11.9 crores) in 1954 than in 1953 (Rs. 55.9 cores). The country's foreign exchange reserves, consisting of assets of the Reserve Bank, Government, and authorised dealers, increased by Rs. 4.1 crores. The net reduction of assets on amortisation account amounted to Rs. 6.9 crores, mainly due to repayment of debt by Burma from the proceeds of rice sales to India. As regards liabilities, a major transaction was the repurchase of Indian currency from the International Monetary Fund (equivalent to liquidation of our short-term dollar borrowing) to the extent of Rs. 22.2 crores. Rupee deposits and investments of foreign official and banking institutions, however, rose by Rs. 15.4 crores during the year. Net private capital remittances (both short and long-term) and net imports of Indian

currency brought about a further reduction of liabilities to the extent of Rs. 14.8 crores. Other capital transactions such as the utilisation and repayment of long-term loans from the IBRD, changes in the rupee balances of foreign individuals and in the ownership of portfolio securities increased the country's indebtedness by Rs. 6.9 crores.

India's Foreign Exchange Reserves.—The net effect of the current and capital transactions on external account can be seen from the movements in foreign exchange reserves shown in Statement 80 and Graph 19. During 1954-55, India's foreign exchange reserves consisting of Reserve Bank of India assets, Government balances and authorised dealers' holdings, net of their rupee and foreign exchange liabilities, decreased by Rs. 5.9 crores ; during the previous year, the reserves had gone up by Rs. 46.7 crores. The reserves (net) stood at Rs. 751.8 crores at the end of the year, gold being valued at the statutory price of Rs. 21-3-10 per tola ; if gold is valued at the international price of $ 35 per ounce (Rs. 166.7) the reserves would amount to Rs. 829.5 crores.

The movements in net reserves are affected by changes in foreign exchange assets as well as liabilities. Thus, the reserves went down during 1954-55 because of a fall of Rs. 17.1 crores in assets offset by a fall of Rs. 11.2 crores in liabilities. Viewed sectorwise, the decline in assets occurred entirely in the official sector, because of a fall in the foreign assets of the Reserve Bank ; assets of the private sector (i.e. banks), in fact, rose slightly. The decline in liabilities was mainly due to the reduction in liabilities to the IMF (i.e. repurchase of Indian currency), offset by the moderate rise in liabilities to non-resident banks.

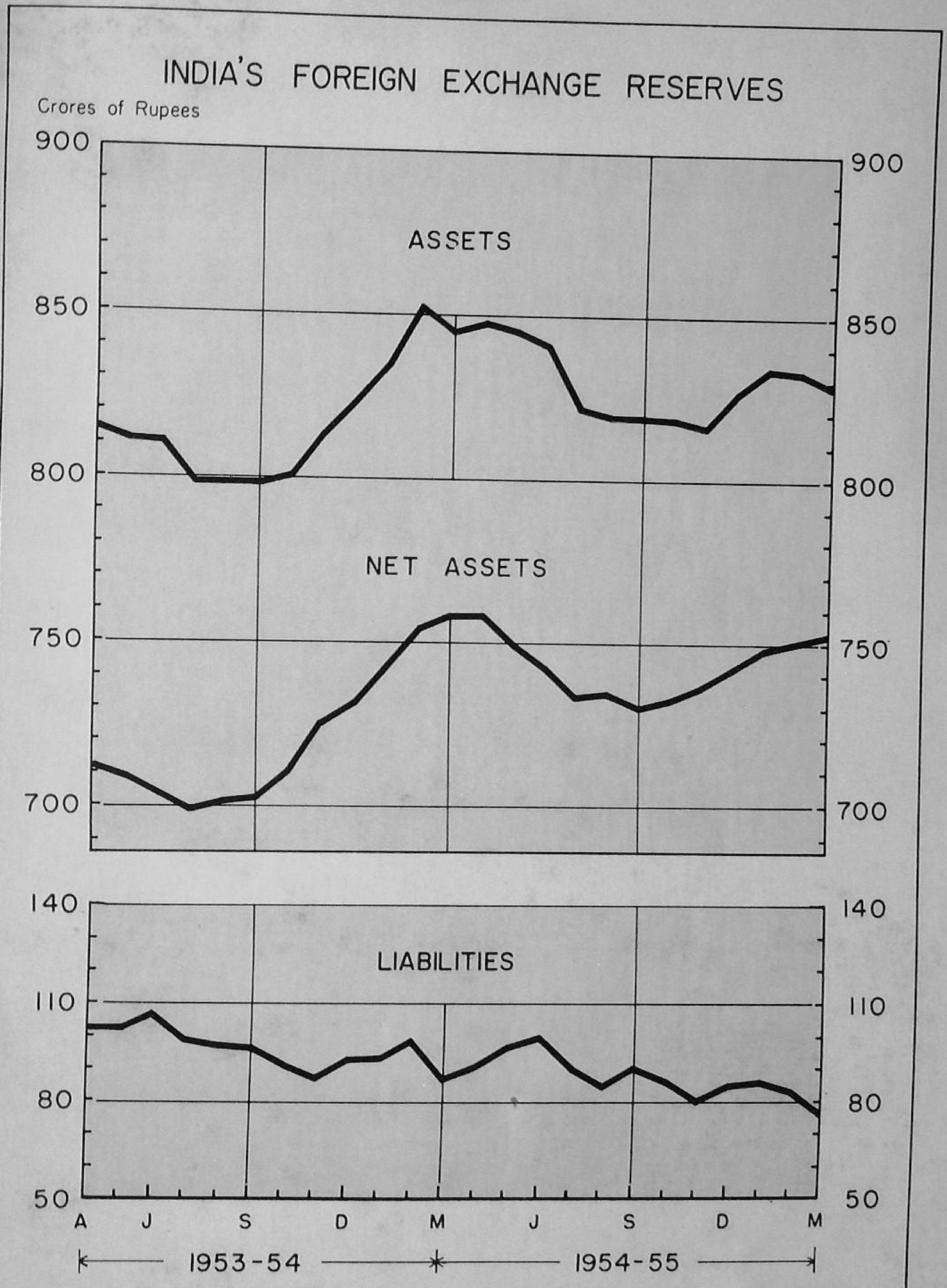
Sterling Transactions.—During 1954-55, the Reserve Bank's sterling transactions (excluding Government transactions) resulted in net purchases of £71 million (Rs. 95 crores) as against net purchases of £92 million (Rs. 123 crores) in 1953-54. Purchases were seasonally heavy in the latter half of the year, while sales were, as usual, of relatively modest dimensions. Sterling balances of the Reserve Bank of India (after taking into account Government transactions) recorded a net decline of £17 million (Rs. 23 crores) to £549 million during 1954-55.

Data in regard to purchases and sales of sterling by the Reserve Bank, noted above, comprised of deliveries against forward as well as spot transactions. Statement 81 sets out separate figures in regard to forward contracts entered into and deliveries effected against these, and figures in respect of spot transactions ; it shows that deliveries against forward transactions were much larger than against spot transactions.

Developments in Exchange Control.—During the year, exchange restrictions were liberalised, partly to bring the Indian Exchange Control Regulations in line with the changes effected in the U.K. Exchange Control. Measures affecting transactions with the Portuguese territories in India were also adopted. The developments in exchange control were broadly as follows :

(1) From June 7, 1954, the G.R.X. procedure ceased to apply to shipments to Iran and, as from that date, exports to Iran can be effected, as to any other country, without full payment being received in India in advance from the consignee abroad or under a confirmed irrevocable credit opened by the consignee in favour of the

GRAPH 19



INDIA'S FOREIGN EXCHANGE RESERVES
Crores of Rupees
900
850
800
750
700
ASSETS
NET ASSETS
140
110
80
50
LIABILITIES
A J S D M J S D M
1953-54
1954-55

exporter. The new procedure would mean considerable convenience to Iranian importers and should facilitate Indian exports to that country.

(2) A ban has been imposed from August 11, 1954, on the export, by post or otherwise, of Indian currency notes and coins to Portuguese territories in India. Travellers proceeding to Portuguese territories are, however, permitted to take with them Indian currency notes and coins not exceeding Rs. 100 per person per visit. Also, as from December 24, 1954, the accounts of individuals, firms, companies and banks resident in Portuguese possessions in India are designated as non-resident, operations on such accounts being subject to certain restrictions.

(3) Mention was made in last year's Report of the amendments to the Indian Exchange Control Regulations in March 1954, consequential to changes in the U.K. Control, extending the transferable account area to cover all countries other than those in the American account area, Turkey, Iran and Hungary. During the year, it was further extended to include Hungary (from September 1, 1954) and Iran (from November 3, 1954). It may be recalled that under the changes effected in March 1954, transferable accounts may now be held by any resident of the transferable account area and balances therein can be transferred for any purpose (capital or current) within that area and to the Scheduled Territories.

(4) From October 4, 1954, emigrants from India to countries outside the Scheduled Territories have been redesignated as residents in their new countries of permanent residence as soon as they leave India instead of at the end of a probationary period of four years as hitherto, and their accounts are treated as ordinary non-resident accounts. The extent to which transfer facilities are granted to emigrants remains, however, unchanged, but the emigrants are entitled to receive the whole of their allowance immediately instead of in instalments over the probationary period.

(5) In view of the *de facto* merger of the French establishments with India, the scope of the Foreign Exchange Regulations Act was extended from November 1, 1954, to cover these territories also.

(6) From December 27, 1954, travellers from Burma have been permitted to bring with them into India without limit currency notes which are legal tender in Burma, provided they are declared on the appropriate form to the Customs authorities at the time of their arrival, and also Indian currency notes, provided they are of 'Ashoka Pillar' design.

(7) The basic allowance of foreign exchange admissible to residents of India for purposes of travel outside India for pleasure or personal convenience was increased from £600 to £750 per adult and from £300 to £375 per minor, available for a period of two years commencing from January 1, 1955. The basic allowance for travel to Iran, Iraq, Persian Gulf ports, Saudi Arabia, Ceylon, Burma, Thailand, Malaya, Indo-China, the Republic of Indonesia and Dutch New G inea was accordingly increased from Rs. 2,000 to Rs. 3,000 per adult and from Rs. 1,000 to Rs. 1,500 per minor, once in two years commencing from January 1, 1955. The basic travel quota is not, however, available for travel to the American account area.

Trade Agreements.—During 1954-55, trade agreements with Finland, Austria, Indonesia, Iraq, Czechoslovakia, the Federal Republic of Germany, Poland and Bulgaria which had expired or were due to expire were renewed for further periods. Fresh agreements were entered into with Hungary, Italy, the People's Republic of China and the German Democratic Republic. The first agreement with China, signed on April 29, 1954, provided, among other things, for the carrying

on of normal trade between India and the Tibetan region of China. Another agreement with China was concluded on October 14, 1954, and a special feature of this agreement relates to the provision of transit facilities by India through Calcutta for goods of Chinese origin consigned to Tibet. In pursuance of this agreement, a separate pact was also finalised, providing for the export of 90 lakh lbs. of Virginia tobacco by India and the import of 90 tons of raw silk from China. Particulars of the trade agreements concluded by India during the year are given in Statement 82.

Tariff Commission.—During 1954-55, the Tariff Commission conducted 22 tariff inquiries and one price inquiry, details of which are set out in Statement 83 Among the tariff inquiries, 5 related to industries seeking protection for the first time and 17 to those seeking continuance of existing protection. Government accepted the recommendations of the Tariff Commission for the grant of protection to all the fresh applicants and the continuance of protection for 13 industries.

The more important among the fresh inquiries related to the grant of protection to industries producing component parts of automobiles, such as automobile leaf springs, automobile sparking plugs and automobile hand tyre inflators. Government accepted the recommendations of the Commission for the levy of a protective duty of 50 per cent *ad valorem*, valid till December 31, 1956, on leaf springs; a preferential protective duty of 85 per cent *ad valorem* on products of British manufacture and a standard rate of 92½ per cent *ad valorem* upto December 31, 1955 on automobile sparking plugs ; and a duty of 45 per cent *ad valorem* on hand tyre inflators upto December 31, 1957. The Tariff Commission's recommendation to grant protection upto December 31, 1964 to the dyestuff industry was accepted by Government with slight modifications in the duties recommended. It was stipulated, however, that a fresh inquiry should be held at the end of 1955. The recommendations of the Commission for continuance of protection to coated abrasives, sago and tapioca, bichromates, preserved fruits, electric brass lamp holders, antimony, sheet glass, bicycles, cotton and hair belting, cocoa powder and chocolates, stearic and oleic acids, cotton textile machinery and oil pressure lamps industries were also accepted with slight modifications in one or two cases in the duties suggested by the Commission. Thus, in regard to electric brass lamp holders, Government did not agree with the Commission's suggestion for lowering the duty. Government also felt that the duty of 47¼ per cent *ad valorem* (including surcharge) on bicycles might prove inadequate in some cases, and hence decided to impose an alternative specific duty of Rs. 60 per bicycle, the standard rate being adjustable according to the terms of the relevant agreements.

The recommendations of the Commission to discontinue protection granted to the hurricane lanterns, pickers, sewing machines and zip fasteners industries were accepted by Government.

With regard to price inquiries, the Commission completed during the year the review of the retention price of tin plate payable to the Tinplate Company of India Ltd. and the examination of fair retention prices for 28 and 30 gauge blacksheets which the same company had been authorised to produce. The Commission's recommendation for fixing the fair retention prices for the different gauges of tin plate and black sheets manufactured by the company for 1953 at the same level as in 1952 (Rs. 807 per ton) and for the years 1954-56 at Rs. 762.9 per ton was accepted by Government.

IX. CURRENCY AND COINAGE

Circulation of India Notes.—As in 1953-54, the net expansion in currency during 1954-55 (a reference to which has already been made in Chapter IV) occurred wholly in notes ; and the circulation of rupee coin (including Government of India one rupee notes) and small coin recorded further declines (*vide* Statement 84). The rise in note circulation during the year (Rs. 91 crores) was appreciably higher than in 1953-54 (Rs. 53 crores). Total note circulation at the end of the year amounted to Rs. 1,234 crores*.

Denomination-wise, all the notes in circulation registered increases during the calendar year 1954**, the total increase being of the order of Rs. 81 crores. A major development of the year was the reintroduction of high denomination notes in terms of the Reserve Bank of India (Amendment and Miscellaneous Provisions) Act, 1953. As from April 1, 1954, the Reserve Bank commenced issuing notes of the denominations of Rs. 1,000, Rs. 5,000 and Rs. 10,000 (*vide* page 74 of the 1953-54 Report). Among them, the 1,000-rupee note was the most popular, its circulation by the end of the year amounting to Rs. 32 crores as against Rs. 5 crores for the 5,000-rupee note and Rs. 1 crore for the 10,000-rupee note (*vide* Statement 85). With the introduction of the new high denomination notes, the shares of the 10-rupee and 100-rupee notes in the total issue of current notes declined ; the former went down from 42.2 per cent in 1953 to 41.6 per cent in 1954, and the latter from 43.0 per cent to 40.9 per cent. At the end of 1954, the 10-rupee note had the largest circulation (41.6 per cent of the total issues), with the 100-rupee note a close second (40.9 per cent). Over the year, the shares of the smaller denominations showed no significant changes.

Circulation of India Rupee Coin.—During 1954-55, the decline in rupee coin circulation was more marked (Rs. 4·9 crores) than in the previous year (Rs. 1·8 crores) and was the net result of an aggregate fall of Rs. 12·4 crores in five months of the year (April, June to August, and November) and an increase of Rs. 7·5 crores in the remaining seven months; at the end of the year, the circulation stood at Rs. 113 crores‡ (*vide* Statement 84). Since 1951-52, there has been a net return of rupee coin every year, the circulation falling during the past four years by Rs. 25 crores. On April 2, 1954, the Reserve Bank received from the Government of India, one rupee notes of the value of Rs. 5 crores, in terms of Section 36 (2) § of the Reserve Bank of India Act, against payment of legal tender value.

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* Net of Rs. 43 crores of India notes returned from circulation in Pakistan and awaiting cancellation.

** Data are available on a calendar year basis only.

‡ Since November 1, 1943, on which date standard silver rupee coin ceased to be legal tender, 'rupee coin' circulation in India has comprised of (1) Government of India one rupee notes issued from July 1940, (2) the quaternary silver rupees issued between December 1940 and June 1946 and (3) nickel rupees issued from June 1947.

§ This Section provides that, after the close of any financial year in which the maximum amount of rupee coin held in the assets, as shown in the weekly accounts of the Issue Department of the Reserve Bank, is less than fifty crores of rupees or one-sixth of the total amount of the assets whichever may be the greater, the Central Government shall deliver to the Reserve Bank rupee coin upto the amount of such deficiency, but not without its consent exceeding five crores of rupees against payment of legal tender value.

Circulation of India Small Coin.—The downtrend in small coin circulation noticed since 1949-50 continued, the decline during 1954-55 being Rs. 1·1 crores as compared with Rs. 3·2 crores in 1953-54. The total return during the six years ended 1954-55 amounted to Rs. 17 crores.

As in the preceding two years, coins of all denominations showed a net return, with the exception of single pice which continued to be absorbed (*vide* Statement 86). Circle-wise, excepting the Bombay and Delhi circles, which recorded a small absorption, all the other circles showed a further net return during 1954-55 (*vide* Statement 88). Metal-wise, the return of standard silver subsidiary coins continued to be negligible. There was a further return from circulation of quaternary silver coins, the amount of these withdrawn from circulation since 1947-48 totalling Rs. 18 crores. During the year, pure nickel coins of the value of Rs. 1·3 crores were absorbed ; as against this, there was a further return of nickel-alloy coins of the value of Rs. 0.3 crore.

Hyderabad State Currency.—As from January 26, 1950, on which date the Hyderabad State acceded to the Indian Union, India notes and coin were made legal tender in that State, in order to establish a uniform currency and coinage throughout the Indian Union in accordance with the federal scheme for financial integration. The *Hali Sicca* currency* circulating in Hyderabad State also continued to be legal tender, but arrangements were made for its conversion into India notes and coin at the rate of *Hali Sicca* Rs. 116-10-8 for Indian Rs. 100, by establishing Indian currency chests and small coin depots at the offices of the Hyderabad State Bank. The Indian Coinage Act, 1906 (Act No. III of 1906) and the Currency Ordinance 1940 (Ordinance IV of 1940) were extended to Hyderabad State under the Part B States (Laws) Act, 1951, with effect from April 1, 1951, and the corresponding State laws (the Hyderabad Currency Ordinance and the Hyderabad Currency Act) were repealed. However, in order to allow sufficient time to the holders to surrender Hyderabad coins, the Union Government, by a special notification issued in terms of Section 24 of the Indian Coinage Act, extended the legal tender character of these coins until March 31, 1953. In March 1953, the Union Parliament also passed the Hyderabad Coinage and Paper Currency (Miscellaneous Provisions) Act, 1953, which provided for the repeal of the Hyderabad Paper Currency Act (1327 Fasli) under which *Hali Sicca* notes were being issued in the Hyderabad State. Provision was, however, made for these notes to continue as legal tender for a period not exceeding two years from the commencement of Act (April 1, 1953) to avoid inconvenience to the public. The Act also extended the period during which Hyd rabad coins and notes of the denomination of one rupee may continue to be legal tender upto March 31, 1955. With effect from April 1, 1955, *Hali Sicca* currency ceased to be legal tender but to enable the public to exchange their holdings into India currency, the Union Government have decided to provide facilities for conversion for a further period of one year from April 1, 1955 at all offices of the Hyderabad State Bank and the Treasuries and sub-Treasuries of the Hyderabad Government.

* This comprised (*i*) currency notes of the denominations of Rs. 2 and above issued in terms of the Hyderabad Paper Currency Act (1327 Fasli), (*ii*) one rupee notes issued in terms of the Hyderabad Currency Ordinance (1356 Fasli) and the Hyderabad Paper Currency Act (1327 Fasli) and (*iii*) coins of the denominations of one rupee, half rupee, one-fourth rupee, two anna, one anna and 'dub' (1/6th anna) issued under the Hyderabad Currency Act (1321 Fasli).

On January 26, 1950, the circulation of *Hali Sicca* currency (notes, rupee coin and small coin) amounted approximately to *Hali Sicca* Rs. 48 crores (or India Rs. 41 crores). With the progressive replacement of *Hali Sicca* currency by Indian currency as from that date, the circulation of *Hali Sicca* currency (*vide* Statement 90) steadily declined and stood at *Hali Sicca* Rs. 6·4 crores (or India Rs. 5·5 crores) at the end of March 1955.

Replacement of French Indian Currency by Indian Currency.—As from November 1, 1954, the provisions of the Indian Coinage Act, 1906, the Reserve Bank of India Act, 1934, and the Currency Ordinance of 1940 were extended to the French establihments in India, consequent on the merger of these establishments with the Indian Union. Accordingly, Indian currency became legal tender in the French establishments, but French currency in circulation on the eve of the merger (October 31, 1954) was to continue to be legal tender upto April 30, 1955. Meanwhile, arrangements were made with the Imperial Bank of India to provide facilities at their Pondicherry Pay Office for the exchange, at par, of French currency into Indian currency. The total value of Indian currency issued in exchange for French currency during the period upto April 1, 1955 amounted to Rs. 36 lakhs. Negotiations between the Government of India and the French Authorities are in progress as regards the final disposal of the French currency withdrawn from circulation and the reimbursement of assets to the Reserve Bank.

Decimalisation of Coinage.—With a view to adopting the decimal system of coinage, a Bill to amend the Indian Coinage Act, 1906 was introduced in the *Lok Sabha* on May 7, 1955. Under the Bill, the Indian rupee will continue to be the standard coin and will remain unaltered, but, instead of being divided into 16 annas, 64 pice and 192 pies as at present, it will be divided into 100 cents, the half rupee and the quarter rupee being equivalent to 50 cents and 25 cents, respectively. The existing two anna, one anna, half anna and pice coins will have no counterparts in the new system, but it is proposed to issue coins of 10 cents, 5 cents, 2 cents and 1 cent to replace the coins below the quarter rupee. The existing coins will continue to circulate side by side for some time and provision has, therefore, been made in the Bill for conversion of the existing coins into cents.

Except for the non-inclusion of coins below 1 cent, this Bill follows more or less the same lines as the one introduced in 1946 by the undivided Government of India, which could not be proceeded with, owing to the unsettled political and financial conditions following the Partition.

Old Notes.—The value of notes written off under Section 34 * of the Reserve Bank of India Act amounted to Rs. 1,14,200 during 1954-55 as against Rs. 1,15,950 in the previous year. Notes, which had been written off in the previous years under this Section, but which were subsequently presented for payment and paid by the Banking Department of the Bank, amounted to Rs. 7,230 during the year, as against Rs. 640 last year.

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* Section 34 of the Reserve Bank of India Act provides that any currency note or Bank note, which has not been presented for payment within 40 years from its date of issue, shall be deemed to be no longer in circulation.

Lost, Destroyed and Mutilated Notes.—Claims in respect of lost, destroyed and mutilated notes admitted at the Bank's offices during the year amounted to Rs. 83 lakhs and the actual payments made against them to Rs. 78 lakhs (*vide* Statement 89).

Note Forgeries.—The total number of forged notes (including Government of India one rupee notes) received by the Bank during the year amounted to 13,210 as compared to 9,033 in 1953-54. Particulars regarding prosecutions on account of note forgeries are given in Statement 91 (A).

Coinage.—The mintage of whole rupees, which was discontinued in April 1951, was resumed in April 1954. Nickel rupees minted during the year under review amounted to Rs. 6 lakhs. Subsidiary coins of the value of Rs. 2,58 lakhs were minted during 1954-55, as against Rs. 55 lakhs in 1953-54 (*vide* Statement 92). Statement 93 gives the description of the coins in active circulation as at the end of March 1955.

As during the preceding years, the India Government mints continued to undertake coinage for foreign countries, although the amount of actual mintage during the year remained small; the number of pieces minted during 1954-55 amounted to 8·24 lakhs.

Withdrawal of Silver, Cupro-Nickel and Copper Coins.—During 1954-55, the total value of uncurrent coin withdrawn from circulation amounted to Rs. 48,480 and of badly worn and defaced coins to Rs. 117 lakhs (*vide* Statement 94).

Counterfeit Coins.—The number of counterfeit coins cut at Treasuries and railway stations during the year was 1.4 lakhs as against 1·8 lakhs in 1953-54 (*vide* Statement 95).

APPENDIX I

The All-India Rural Credit Survey Report
Integrated Scheme and Principal Recommendations

Integrated Scheme of Rural Credit

The integrated scheme of reorganization of rural credit proposed by the Committee of Direction of the All-India Rural Credit Survey is based on the three fundamental principles of (*a*) State partnership at different levels, (*b*) full co-ordination between credit and other economic activities, and (*c*) administration through adequately trained and efficient personnel, responsive to the needs of the rural people. The main features of the scheme are as follows :—

(1) *Credit*

State partnership, including financial partnership, in co-operative rural credit in order that such credit may not only be expanded and strengthened, but expanded and strengthened for the positive purpose of production and for the positive benefit of the rural producer.

(2) *Processing, marketing, storage and warehousing*

State partnership, including financial partnership, for the benefit of the rural producer, in a programme for the organization of processing and marketing on a co-operative basis and for the development of storage and warehousing. The proposals in this connection include the creation of a National Co-operative Development and Warehousing Board, an All-India Warehousing Corporation and several State Warehousing Companies.

(3) *Other economic activities*

State partnership, including financial partnership, for the benefit of the rural producer, in a programme for the organization on a co-operative basis of such of the other economic activities of the village as are of importance to him as cultivator, agricultural labourer or handicraftsman, such activities to include farming, irrigation, provision of seed and manure, transport, fisheries, dairying, livestock-breeding and cottage industries.

(4) *Commercial banking*

Integration of, and the State's financial participation in, an important sector of commercial banking in order that the State-partnered, country-wide banking institution so formed may, among other things, be charged with and carry out the positive duty of endeavouring to do its best to help the development of rural and co-operative banking. It will be expected to discharge this duty by the several means open to it including, principally, the effecting of arrangements for the readier and cheaper remittance of money, especially in relation to the relatively undeveloped areas which have been neglected by commercial banks and in which, without such facilities, no development of rural or co-operative banking is possible. (It has been proposed that the institution thus created should be called the State Bank of India).

(5) *Training*

Recognition of the importance of training a new type of personnel altogether, which is not only technically qualified, but is also in its sympathies and attitudes rurally biassed in order that the new functions devolving on the State by reason of the above may be discharged both efficiently and for the benefit of the rural population.

(6) *Limitations on State partnership and State intervention*

Recognition of the need so to design the extent and manner of State partnership as to ensure that, while responsiveness to the new policies is effectively created, every precaution is taken to safeguard the essential character of the institution in which such participation takes place and nothing is done such as may lead to State interference in its day-to-day working ; recognition, further, so far as co-operative credit and co-operative economic activity are concerned, of the need so to regulate the extent of State partnership at different levels as (*a*) at the rural base to leave scope for the societies to become fully "co-operative," within a measurable period, by the process of themselves replacing the State part of the share capital and (*b*) at the higher levels to retain what may be described as the major partnership of the State until such time, however long, as may be required in the interests of the co-operative organization at the rural base which, before it develops sufficient strength, and for the purpose of developing such strength, will need, against the competition and opposition of private vested interests, and for various other reasons, a support which is at once powerful, sympathetic, financially adequate and technically competent.

(7) *Finance and funds*

The Committee has proposed the institution of certain funds for the orderly financing of the reorganization proposed. These are :—

(*i*) *Under the Reserve Bank :*

(*a*) The National Agricultural Credit (Long-term Operations) Fund

[Rs. 5 crores annually besides an initial non-recurring contribution of Rs. 5 crores]

(*b*) The National Agricultural Credit (Stabilization) Fund [Rs. 1 crore annually]

(*ii*) *Under the Ministry of Food and Agriculture :*

The National Agricultural Credit (Relief and Guarantee) Fund [Rs. 1 crore annually]

(*iii*) *Under the National Co-operative Development and Warehousing Board :*

(*a*) The National Co-operative Development Fund

(*b*) The National Warehousing Development Fund [Rs. 5 crores annually to be divided between (*a*) and (*b*), besides an initial non-recurring contribution of Rs. 5 crores to (*b*)]

(*iv*) *Under the State Bank of India :*

The Integration and Development Fund

(*v*) *Under each State Government :*

(*a*) The State Agricultural Credit (Relief and Guarantee) Fund

(*b*) The State Co-operative Development Fund

(*vi*) *Under each State Co-operative Bank, Central Co-operative Bank etc. :*

The Agricultural Credit (Stabilization) Fund

Of these funds, the five national funds are of special importance. It has been proposed that the allotments for these may be reviewed after a period of five years.

Recommendations in Detail

The principal recommendations of the Committee are summarized below under the various heads of development and the agencies to be charged with their implementation.

I—Development of Co-operative Credit

(1) *Reserve Bank*

(*i*) The Reserve Bank of India should collaborate with the State Governments in drawing up plans for the co-ordination and reorganization of co-operative credit institutions on the lines recommended. For this purpose, the Reserve Bank should be statutorily empowered to make long-term loans to State Governments. It should make these loans, as and when necessary and on suitable terms, in order that the State Governments may, directly or indirectly, participate in the share capital of state co-operative banks, central co-operative banks, larger-sized primary credit societies, central land mortgage banks, primary land mortgage banks, etc. The loans may be made from the National Agricultural Credit (Long-term Operations) Fund.

(*ii*) The Reserve Bank should continue to give short-term accommodation on the guarantee of the State Government, through state co-operative banks. It should also give medium-term loans (of periods ranging from 15 months to 5 years) to state co-operative banks and through them to central co-operative banks or societies. The present overall limit of Rs. 5 crores should be removed, as well as the restriction relatable to the owned funds of state co-operative banks ; the limit should be set by the Reserve Bank's overall appreciation of the financial position of the state co-operative bank, central co-operative bank, etc., to which it lends.

(*iii*) The Reserve Bank should be enabled to give long-term accommodation (*i.e.*, accommodation for periods exceeding 5 years) to land mortgage banks (*a*) by way of direct loans and (*b*) by purchase of the whole or part of 'special development debentures' of the land mortgage banks. It may do so by drawing upon the National Agricultural Credit (Long-term Operations) Fund. This type of opera-

tion, however, will be distinct from that of the normal purchase of 'marketable' debentures as part of the Bank's ordinary operations and in pursuance of its existing policies. In all these cases, both principal and interest should be guaranteed by the State Government.

(*iv*) The National Agricultural Credit (Stabilization) Fund is to be utilized for the purpose of granting medium-term loans to state co-operative banks, etc., in circumstances in which the Reserve Bank is satisfied that any of its short-term loans to them of which repayment has become due cannot, without serious dislocation to the co-operative credit structure of the State, be repaid in time on account of famine, drought, etc., and consequently that repayment of such loans, or part thereof, may justifiably be allowed to be deferred. In such a case, a book adjustment will be made between the Stabilization Fund and the Banking Department of the Reserve Bank ; the short-term loan will be technically treated as repaid but in effect converted into a medium-term loan from the Reserve Bank's Stabilization Fund. The Reserve Bank may make this facility conditional on the state co-operative bank concerned maintaining a similar Agricultural Credit Stabilization Fund; the same condition may be made applicable to central co-operative banks and, where feasible, to the larger-sized primary societies ; the Reserve Bank may further insist that part of the overdue liability should be met from the Stabilization Funds kept within the co-operative credit structure itself.

(*v*) The operation of these Funds, and the planning and execution (within the Reserve Bank's own sphere) of the programmes and policies for which they are intended to be utilized, should remain the responsibility of the Reserve Bank and its Board, in their normal functioning, and should not be vested in a separate body, statutory or other. The Agricultural Credit Department of the Reserve Bank should be reorganized and strengthened for the purpose of discharging adequately the additional responsibilities placed on the Bank in this context. The Standing Advisory Committee of the Reserve Bank should be continued, though as a smaller expert body. At the same time, there should be an Advisory Council which is representative of the appropriate interests on a nation-wide basis. This Council should be common to the Reserve Bank and the Ministry of Food and Agriculture, including the National Co-operative Development and Warehousing Board.

(2) *Central Government*

The Ministry of Food and Agriculture should utilize the National Agricultural Credit (Relief and Guarantee) Fund in order to give grants, by way of relief, to co-operative credit institutions, through the State Governments concerned, for the purpose of writing off irrecoverable arrears, where these have assumed a magnitude which threatens the stability of the structure and provided that the Ministry is satisfied that such arrears have arisen from causes, such as widespread or chronic famine, beyond the control of the co-operative institutions concerned. Relief from this Fund may be conditional on the State Government making a stipulated contribution, for the same purpose, from a corresponding Agricultural Credit (Relief and Guarantee) Fund maintained by it.

(3) *State Governments*

(*i*) The State Governments will be responsible for the implementation of planned programmes of credit development which will be drawn up in consultation with the Reserve Bank.

(*ii*) *Taccavi* and similar agricultural loans from State Governments, and Central Government funds, if any, channelled through State Governments, should (subject to the following exceptions) be strictly limited to 'distress' finance, to meet contingencies such as famine, scarcity, etc. The exceptions are as follows :—

(*a*) Where co-operative credit institutions are yet to be developed and purely as a transitional arrangement, *taccavi* may continue to be given for productive purposes. But in all such cases co-operative institutions should be sought to be promoted as early as possible.

(*b*) Special credit arrangements may be made for certain areas or for certain classes of people. The former would include areas which are markedly undeveloped in the economic aspect (*e.g.*, regions of chronic famine) or in both social and economic aspects (*e.g.*, areas inhabited by backward tribes). The latter would comprise economically backward occupational classes for whose benefit special policies of rehabilitation are adopted.

(4) *The Co-operative movement*

(*i*) *Structure and personnel*

(*a*) A phased programme for the reorganization of co-operative credit institutions at all levels should be drawn up by the State Government in consultation with the Reserve Bank.

(*b*) The reorganization should be on the basis of major State partnership. Such State partnership should continue to be 'major' for an indefinite period at the apex and district levels. It will be so for a more limited period at the primary level. State participation will be direct at the apex level and indirect at the district and primary levels, *i.e.*, through the state co-operative bank in the case of central banks, and through the state and central co-operative banks in the case of larger-sized primary credit societies.

(*c*) Trained personnel for the key posts of credit institutions at the higher levels, and where feasible also of the larger-sized primary societies, should be 'deputed' to these institutions, wherever that is necessary and suitable, from cadres instituted either by the State co-operative bank (if sufficiently strong and developed) or by the State Government. (For marketing, etc., as distinguished from credit, this function of providing technical personnel will necessarily devolve on State Governments and not on state co-operative banks). The State Government's Co-operative Service may, in suitable cases, be reorganized in two broad divisions : (*a*) administrative and (*b*) technical. There would thus be a State Co-operative Administrative Service (Class I and Class II) and a Subordinate Co-operative Service (Administrative) ; as also a State Co-operative Technical Service (Class I and Class II) and a Subordinate Co-operative Service (Technical).

(*d*) There should be co-ordination of the maximum possible extent between the short-term and long-term parts of the credit structure. While remaining legally and financially distinct from each other, state co-operative banks and central land mortgage banks should have a common administrative staff and, if possible,

a common board of directors ; where the latter is not feasible, there should at least be some directors common to the two boards.

(*e*) One of the main lines of future development of the primary credit structure should be in the direction of organizing larger-sized societies with limited liability.

(*f*) Complementary to the recommended establishment of a National Agricultural Credit (Stabilization) Fund in the Reserve Bank, individual Agricultural Credit Stabilization Funds should be instituted by state co-operative banks and central co-operative banks and, wherever possible, also by larger-sized primary credit societies.

(*ii*) *Operations and supervision*

(*a*) The basis for short-term credit should be the system of 'crop loans'—a system which concentrates on loans for productive purposes ; provides short-term loans on the basis that a crop is anticipated, not that a title exists ; relates such loans in amount to the estimated outlay on raising the crop ; and, as and when the crop is sold, recovers the loans from the proceeds of the sale. It is proposed that the loans should, to the maximum extent possible, be disbursed in kind.

(*b*) The subsistence needs of the agricultural producer—as distinguished from specific 'consumption' needs—should be met, as part of normal agricultural credit requirements, by the primary credit society. For credit needs connected with specific items of consumption (such as marriages and illnesses), a 'chit fund' may be incorporated within the framework of the larger-sized primary credit society. The membership of the 'chit fund' may be wider than that of the society and may include, not only the cultivators, but also the agricultural labourers, and the handicraftsmen and artisans of the village.

(*c*) Medium-term loans (fifteen months to five years) should be provided by the short-term structure of co-operative credit ; in this context, special attention should be paid to loans for the purchase of livestock. The making of long-term loans should be the responsibility of land mortgage banks ; these should be established (or reorganized) in different States.

(*d*) At the district level, the central bank or the branch of the apex bank should have a 'section' for dealing with long-term credit on an agency basis. This 'section' may be converted into a branch of the central land mortgage bank in course of time. Eventually, primary land mortgage banks should be formed.

(*e*) Loans of land mortgage banks should be primarily for productive purposes. Different types of aid and accommodation from Government and the Reserve Bank are envisaged. The floatation of 'rural debentures' is among the various changes recommended in system and procedure.

(*f*) Supervision of societies should be a function of the apex and central banks ; audit, along with general administration, should continue to be the responsibility of the State Government.

II—Development of (1) Co-operative Economic Activity, Especially Marketing and Processing and (2) Storage, Warehousing and Distribution

(1) *Co-operative economic activity, especially marketing and processing*

(*i*) The National Co-operative Development and Warehousing Board should, from its National Co-operative Development Fund, make long-term loans, on suitable terms, to State Governments to enable the latter to participate in the share capital of co-operative societies when undertaking such activities as processing, marketing, dairying, etc.

(*ii*) *The State Governments*

The responsibility for strengthening the administration, for providing the necessary technical services and generally for implementing a planned programme in respect of the development of co-operative processing, co-operative marketing, etc., will of course primarily vest in the State Government.

(*iii*) *The Co-operative movement*

(*a*) Co-operative societies for marketing, processing, dairying, etc., may be organized in conformity with a plan drawn up by the State Governments in conjunction with the National Co-operative Development and Warehousing Board. The organization of the societies should be on the basis of major State partnership. Trained technical personnel for these purposes should be provided by the State Government.

(*b*) Extension and development of co-operative marketing societies at the primary level and at the other levels to the extent necessary to support the primary structure, is envisaged. The programme should be vigorously pursued ; but, to start with, societies should be organized at selected places after adequate preliminary consideration and preparation, with a view to complete success being assured at the important initial stage of development. This also applies to societies for processing and other important economic activities.

(*c*) It is necessary to ensure by positive State supervision that every marketing society at the primary level is so composed and organized and its affairs so conducted that the medium cultivator certainly, and the smaller cultivator wherever possible, is effectively represented in the organization and his interests adequately looked after by those in charge of it.

(*d*) Wherever a regulated market exists in the area of operations of a primary marketing society, the local marketing society (as also the local co-operative banking organization, if any), should have the right to nominate one or two of its members on the Market Committee ; where the regulated market happens to be managed by the All-India Warehousing Corporation or the State Warehousing Company, this right would be exercised in relation to the Advisory Committee formed to assist the officer of the Company or the Corporation.

(*e*) In regard to marketing societies (also processing and similar societies), there should be compulsory additional contributions to share capital, the amount of contribution being related to the turnover of a member's sales through that

society or to the size of the loan taken by the member (from, for example, a credit society with which the operations of the marketing or processing society are co-ordinated).

(*f*) As a rule, there should be no compulsory acquisition of processing plants for the purpose of entrusting them to co-operatives but, where members of a co-operative society or persons prepared to form themselves into a co-operative society offer to subscribe not less than 30 per cent of the share capital, the State Government may, after notification, compulsorily acquire the concern for this purpose.

(*g*) State Governments should take steps for licensing all plants, factories and mills (other than at the cottage industry level) engaged in the processing of agricultural commodities or in related activities and meanwhile promote, as soon as possible, such legislation as may be necessary for the purpose. Before issuing a new licence in any particular area, Government should ascertain whether any existing co-operative society, or one likely to be formed, is both willing and in a position to take up the work. In that event, the licence should be issued to the society and not to the private party.

(2) *Storage, warehousing and distribution*

(*i*) The National Co-operative Development and Warehousing Board should be in charge of two distinct, but organizationally inter-related, lines of development concerned with storage and warehousing on the one hand, and distribution on the other, the distribution pertaining to the basic requirements of the cultivator (*a*) as producer and (*b*) as consumer. It should plan and finance such activities by granting loans, subsidies, etc., drawing for this purpose on the National Warehousing Development Fund. Another use for this Fund will be to enable the Board to subscribe to the share capital of the All-India Warehousing Corporation besides enabling the latter, as well as State Governments, in their turn, to subscribe to the share capital of State Warehousing Companies. Lastly, the State Warehousing Companies can themselves contribute to the share capital of co-operative marketing societies, etc., which take up the provision of storage or warehousing as one of their primary functions.

(*ii*) The All-India Warehousing Corporation should be in charge of the development of storage and warehousing at centres of all-India importance.

(*iii*) The State Warehousing Companies, formed by joint contribution to the share capital by the All-India Warehousing Corporation and the State Governments concerned, should be in charge of the development of storage and warehousing at centres of importance at the State or district levels.

(*iv*) The management of the regulated markets, if any, at centres to which the All-India Warehousing Corporation or the State Warehousing Company has extended its operations should be statutorily entrusted to that institution. A local Advisory Committee may be appointed to assist the officer of the institution at such places.

(*v*) The co-operative organization will be concerned with the development of storage and warehousing in the interior of the district, *e.g.*, in smaller towns,

especially if such towns happen to be marketing centres. The picture will be complete if societies in the bigger villages will also each build their own godowns, seed stores and so on, in exercise of their multi-purpose functions.

(*vi*) At all the levels mentioned above, godowns and warehouses may also be used for the purpose of distribution of commodities such as fertilizers, etc., as also articles of basic use to the cultivators such as sugar, kerosene and matches. Such distribution should be done on an "agency" basis, *i.e.*, without trading risk to the Corporation, Company or Society.

(*vii*) There will ordinarily be no compulsory acquisition of godowns and warehouses for the purpose of entrusting them to the All-India Warehousing Corporation or a State Warehousing Company or a co-operative society; where, however, a godown or a warehouse is situated at a regulated market or other place notified in this context, the acquisition may be compulsory, but on payment of compensation etc.

III—Development of Rural and Co-operative Banking Facilities

These facilities will be provided principally by the State Bank of India. The object of the Committee is the creation of one strong, integrated, State-sponsored, State-partnered commercial banking institution with an effective machinery of branches spread over the whole country, which, by further expansion can be put in a position to take over cash work from non-banking treasuries and sub-treasuries, provide vastly extended remittance facilities for co-operative and other banks, thus stimulating the further establishment of such banks, and, generally, follow a policy of advances—including advances for agricultural purposes—which, while not deviating from the canons of sound business, will be in effective consonance with national policies as expressed through the Central Government and the Reserve Bank.

(*i*) The State Bank of India should be formed by the statutory amalgamation of the Imperial Bank of India and the other State-associated banks, namely, the State Bank of Saurashtra, the Bank of Patiala, the Bank of Bikaner, the Bank of Jaipur, the Bank of Rajasthan, the Bank of Indore, the Bank of Baroda, the Bank of Mysore, the Hyderabad State Bank, and the Travancore Bank, (together with a few minor banks); the share capital of the new institution should be expanded, and the additional shares allotted (on the basis of non-transferability and restricted dividend) to the Government of India and the Reserve Bank; in addition, the Government of India should also take over certain shares now held by State Governments; together, the Central Government and the Reserve Bank should hold a majority of votes in the State Bank. The Committee has suggested that the composition of the share capital of the new institution should be such that the Government of India and the Reserve Bank will together hold 52 per cent of the share capital and of the votes.

(*ii*) A majority of the Directors of the Central Board of the State Bank should be nominated by the Central Government and the Reserve Bank. The Chairman should be appointed by Government after consultation with the Board. The

appointment or removal of the Managing Director and the Deputy Managing Director should be subject to the approval of Government.

(*iii*) There should be six Local Committees, one each for six suitable areas into which the jurisdiction of the Bank should be divided. The Chairman and a majority of members of the Local Committees should be nominated by the Central Board.

(*iv*) The State Bank of India should pursue a large and expeditious programme of branch extension to and beyond the district headquarter places.

(*v*) The dividend on the shares held by Government and the Reserve Bank which should not exceed 5 per cent, should be credited to an 'Integration and Development Fund' to be established within the State Bank itself. The losses, if any, beyond the agreed level, on the opening of new branches should be met out of this Fund, as also certain expenses consequent on the establishment of the Bank. It has been suggested that an initial contribution of Rs. 50 lakhs and subsequent *ad hoc* contributions (as and when necessary) should also be made to the Fund by Government and the Reserve Bank.

(*vi*) It will be expected of the State Bank of India to be responsive to the needs of co-operative institutions connected with credit, marketing and processing. The branch expansion of the State Bank of India should be co-ordinated and, wherever possible, positively associated with the development of co-operative credit. Particular attention to this aspect should be given at the sub-divisional level.

IV—Development of Facilities for the Training of Personnel

(*i*) The Central Committee for Co-operative Training, which is already taking steps to organize co-operative training on a country-wide basis (*a*) by establishing regional centres for intermediate personnel (besides the All-India Centre at Poona for higher and intermediate personnel) and (*b*) by improving the training facilities for subordinate personnel in collaboration with State Governments, should (to the extent required) be placed in possession of larger funds by the Government of India and the Reserve Bank in order that it may further enlarge the scope and expand the coverage of its training facilities.

(*ii*) The training facilities should cover all levels of training, and all personnel whether departmental or institutional. In particular, attention should be paid to banking, marketing and industrial co-operatives, as also to administration, supervision and audit.

(*iii*) The training facilities should be co-ordinated with the needs of the personnel of community projects and extension blocks.

(*iv*) In organizing such training, the Central Committee should take full account of the need to train a new type of official who will be responsive to rural needs, besides possessing the necessary background of training.

APPENDIX II

Report of the Taxation Enquiry Commission

Summary

Introductory.—The Taxation Enquiry Commission was appointed by the Government of India in April 1953, under the chairmanship of Dr. John Matthai, to examine, *inter alia*, the incidence of the tax system in India ; its suitability with reference to the country's development programme and the resources required for it, and the objective of reducing inequalities of income and wealth ; the effects of taxation of income on capital formation and maintenance and development of productive enterprise ; and the use of taxation as a fiscal instrument in dealing with inflationary and deflationary situations. The Commission's Report, which was released by Government on February 28, 1955, is divided into three volumes ; the first volume deals with the tax system as a whole, the second with Central taxation and the third with State and Local taxes.

Volume I of the Report starts with a brief account of the main political and economic changes in India since the last Taxation Enquiry Committee reported in 1925, to provide the background against which problems of taxation could be considered.

The Tax System and Trends in Public Revenues.—Surveying the trends in public revenues, the Commission points out that the rise in revenues since the pre-war period was largely due to the all-round (inflationary) increase in money incomes, and, when total public revenues are related to national income, there has been very little addition to the national tax effort. Commodity taxes and taxes that fall mainly on domestic consumption continue to occupy a key position in the fiscal system, accounting for about 45 per cent of the total revenues. The emergence of the sales tax in State finances and the growth in coverage and yield of Central excise duties, both relying largely on a common commodity base, have brought into relief the problem of co-ordination of tax policies. As between direct and indirect taxation, significant changes have occurred ; the percentage of direct taxation to total tax receipts had risen from 12 per cent in 1938-39 to 45 per cent in 1944-45, but had fallen to 24 per cent in 1953-54.

As a result of the increased share of the State Governments in certain Central sources of revenue and the institution of substantial grants from the Centre, the State Governments have now a much greater financial interest in Central revenues than before and, to this extent, an integrated treatment of Indian public finance becomes much more in order. As regards local bodies, a striking feature was the slow growth of their revenues. While property taxes were the mainstay of city corporations and municipalities, supplemented by octroi and terminal taxes, district boards mainly depended on the local fund cess.

Trends in Public Expenditure.—Reviewing public expenditure, the Commission stresses the need for ensuring the most effective utilisation of the existing tax resources before new and higher burdens were imposed on the public. The

Commission suggests thorough and careful enquiries into the whole question of public expenditure of the Central and State Governments by sufficiently high-powered bodies. It draws attention to the changeover in importance from unproductive to productive expenditure and mentions how expenditure on defence had dropped from 54 per cent of the Central expenditure in 1938-39 to 48 per cent in 1953-54 and that on administrative services from 13 per cent to 9 per cent. Taking revenue expenditure of all Governments in India for 1953-54, it is noticed that out of each rupee of the total revenue expenditure, roughly Re. 0-9-6 was spent on non-development purposes, Re. 0-3-2 on social services and Re. 0-3-4 on economic development. Expenditure on capital account had assumed importance with the inauguration of the development programme. The total capital expenditure, which was only Rs. 13.4 crores in 1938-39, indicative of the restricted role of Government in the economic development of the country, reached Rs. 243 crores in 1951-52 and was placed at Rs. 320 crores for 1954-55. In the first three years of the Plan, the total capital outlay was Rs. 657 crores, of which Rs. 503 crores was spent on development schemes. Turning to the economic effects of public expenditure, the Commission points out that in 1953-54 the combined expenditure of the Central and State Governments and local authorities amounted to Rs. 1,170 crores and formed 11 per cent of the probable level of national income. The role of public expenditure in bringing about reduction in inequalities of economic circumstance was, however, modest, both because of the small proportion of the total public expenditure to the total national income and the little significance of expenditure on social welfare or subsidies by way of transfers to lower income groups. At the same time, there was a certain measure of territorial or regional redress of inequalities. The increasing role assigned to expenditure on social services served to diminish the unpopularity of the tax system, while the increasing importance given to developmental expenditure tended to increase the taxable capacity of the people in the long run.

Incidence of Taxation.—The Commission then proceeds to consider the difficult and somewhat intractable subject of the incidence of taxation. The Commission has confined its analysis to 'formal' incidence and has not attempted to determine 'effective' incidence. Subject to all their limitations, the results of the fourth round schedules of the National Sample Survey were utilised for the purpose. The Commission emphasises that a general review of the incidence of the tax system as a whole, such as it had made, could only form the basis of a very rough assessment of the tax system from the point of view of distribution of its burden. It is also stated that no general picture of incidence could be expected to provide precise guidance for tax policy conclusions ; only certain broad pointers are suggested. Subject to this caution, the Commission has indicated the following broad conclusions from its analysis of incidence of taxation.

1. Although the level of urban taxation on the whole is higher at all income stages as compared to the rural, the disparity is not quite so great in the middle and lower ranges of income,

2. Urban indirect taxation is a little more progressive than rural taxation,

3. Apart from any general scope for stepping up tax incidence in urban areas, there appears to be greater room for increased taxation of higher rural incomes,

4. The incidence of land revenue has ceased to be appreciable,

5. The large area of the non-monetised sector in the rural economy is at once an index to the limits of taxation and a pointer to the possibilities of extending taxation to the field of comparative essentials, if that should be advisable otherwise, with the knowledge that the great mass of the rural population will remain outside its bounds ; in general, the part of the population which is more within the frontiers of the money economy is also relatively more affluent and able to bear taxation than the part outside it,

6. Indirect taxes can be used as a means of progressive taxation in a limited way ; the study confirms the scope for widening the base for taxation.

From a study of income distribution in India on the basis of such inadequate data as are available, the Commission has come to the conclusion that no major shift in income from the urban to the rural or from the rural to the urban sector as a whole can be established to have occurred in the period since the beginning of the war, although certain shifts appear to have taken place *inter se* among the different groups within the respective sectors. Taking into account the increases in tax revenues, and the relative incidence of taxation on the rural and urban sectors, it would seem that the total burden of taxation has increased in the urban sector as compared to the rural sector since the pre-war period.

Development Programme and Trends in Investment.—The Commission then proceeds to review the development programme and trends in investment. It emphasises the need for the utmost endeavour to enlarge the role of taxation and borrowing in financing development in the public sector and to minimise the role of deficit-financing especially in the longer period following the first Five-Year Plan, though there is perhaps a case for a certain measure of deficit-financing in the very short period.

For an examination of the effects of the structure and level of taxation of income on capital formation and maintenance and development of productive enterprise, a study of the condition and general outlook of productive enterprise in the country and the pace of capital formation was necessary. The Commission undertook a study of the sources and uses of funds of private industry and particularly of the gross and net capital formation in the private sector of manufacturing industry, the profit-earning capacity of various industries, policies about the allocation of profits, the practice of industry in providing for depreciation and the problem of replacement of old assets in the industrial sector. The factual basis for the study was provided by the balance sheets and profit and loss accounts of public limited joint stock companies, data furnished directly by selected public limited companies and data in respect of private limited companies obtained from the Income-Tax Department.

An analysis in respect of 448 companies indicated that the gross capital formation in the corporate sector, representing additions to fixed assets, net increase in inventory accumulation and increase in investments, lendings and cash amounted to Rs. 359 crores during the five years 1946-51. Of this, (gross) fixed assets accounted for Rs. 179 crores, inventory accumulation Rs. 117 crores, increase

in lendings Rs. 54 crores and increase in investments and cash together Rs. 9 crores. The principal sources for the financing of expansion of industry were fresh equity capital and retained profits of industry ; on the whole, corporate savings provided a larger source than new subscriptions.

A study of the allocation of profits indicated that provision for taxation accounted for 43 per cent of profits before tax and the distributed portion of profits accounted for 34 per cent. Retained profits (excluding depreciation) formed 22 per cent of profits before tax. The relative figures of distributed and retained profits indicated that there was a tendency to keep distributed profits steady or rising in absolute terms, so that the impact of any adverse turn in business conditions fell with disproportionate weight on retained profits. The available figures also indicated that the amount of retained profits and its proportion to profits were influenced more by the volume and rate of profits than by the volume and rate of taxation.

The replacement costs of depreciable fixed assets (excluding buildings) for all public limited companies in the manufacturing sector, acquired before 1946, were placed at Rs. 420 crores, or Rs. 28 crores annually, for 15 years as from 1951. The problem of replacement is viewed in overall, average terms as also for individual industries.

Outlines of Tax Policy.—The Commission's general approach to the problem of reorganising the tax system is indicated before proceeding to a detailed treatment of individual taxes. The Commission states that at present there was an appreciable degree of avoidable inequality in incomes and wealth and substantial progress towards equality could only be achieved by the gradual elimination of certain fundamental sources of inequality. For reducing inequalities, an increase in progression in direct taxation, supplemented by measures of more effective tax enforcement was needed ; at the same time, the need to extend taxation to the masses would limit the increase in progression in the tax system.

Discussing the kind of tax system that will be suitable for the country's development programme, the Commission states that if taxation (which by and large drew upon the common pool of savings) went to increase the volume of public investment and not to swell administrative and non-development expenditure, total investment will be larger to the extent that additional public investment made possible by taxation takes place at the expense not of private investment but of consumption. What was required was a properly diversified scheme of taxation, one having an adequacy of both depth and range. Additional taxation of a wide range of luxury or semi-luxury products at fairly substantial rates, accompanied by broad-based taxation of articles of mass consumption at comparatively low rates is therefore indicated. "On the whole, the kind of tax system which would be best adapted to meet the requirements of the Indian economy, having regard to the development programme and the resources required for it, appears to be one which would increase the resources for investment available to the public sector with as small a diminution as practicable of investment in the private sector, and which, therefore, is accompanied by the largest practicable restraint on consumption by all classes. Restraint on the consumption of higher income groups must, of course, be greater than in respect of low income groups".

In the Commission's view, there was a presumptive case for holding that Indian taxation, on the basis of its existing structure and rates, had not fully tapped the taxable resources of the country.

Discussing the effects of the tax system on incentives, the Commission observes that the present disparity in consumption levels had a demoralising effect on the large masses of workers and that the disincentive effect of higher taxation on the will to work on the part of the higher income groups was generally exaggerated. According to the Commission, there should be a ceiling on net personal incomes after tax which should not exceed approximately 30 times the prevailing average per family income in the country ; this may be achieved by stages over a period of time. The accomplishment of this objective cannot merely be the result of tax changes, but must be related to an integrated approach along several directions. At the same time, it is necessary to provide appropriate incentives in the tax system for promoting savings and investment and for encouraging industrial expansion.

The main directions along which additional resources for development in the public sector might be secured are stated to be an increase in income-tax partially offset by some reduction in the corporation tax with some additional relief for savings and investment, a substantial increase in excise taxes, increase in non-tax revenue through adoption of suitable pricing policies, mod· rate land revenue surcharges, increase in rates and extension of territorial coverage of the agricultural income-tax, more extensive adoption of property taxation and taxes on transfer of property by local bodies and a widening of the coverage and in due course increases in rates of sales tax.

With respect to co-ordination in tax matters, the Commission observes that the greatest need for understanding and co-ordination between the Centre and the States was in the field of commodity taxation. With the growing importance of public finance in the national economy, it was important to develop an integrated and national approach to problems of taxation and expenditure. For this purpose, the Commission has recommended the setting up of an All-India Taxation Council under Article 263 of the Constitution to secure co-ordination of tax policies, legislation and administration as between the States themselves and as between the Union and States. The Council will have a permanent secretariat in the form of a Tax Research Bureau attached to the Finance Ministry.

Non-Tax Revenues.—Problems of tax policy steadily merge into questions of pricing policy for the products and services of State enterprise. Keeping in view the need for additional resources, the Commission proceeds to deal with the policy considerations in regard to Government undertakings, after a factual review of the working and financial results of the more important Central and State Government undertakings. The Commission has no objection to pricing policies which aim, over a long period, at realising a surplus from the operation of State undertakings. In respect of railway freights, the Commission has recommended the setting up of a Committee to consider the formulation of an adequate freight rates policy for railways, having regard to the interests of industrial and economic development and the resources required for railway development. As regards railway fares, the Commission has no objection in principle to using travel as a basis of taxation.

In the second volume of the Report, the Commission deals with Central taxes. Separate chapters in the Report deal with the basis of liability to tax, taxable income, depreciation allowances, taxation of mining industries, incentives to development, the rate structure of income-tax, evasion and avoidance of tax and the administrative machinery.

Taxable Income.—On the subject of taxable income, the Commission has recommended that certain receipts such as premium on leases, sale proceeds on patent rights and copy rights, compensation received for termination of managing agency agreements and compensation for loss of employment should be made chargeable to tax, and that, while the present provision for the exemption of casual and non-recurring receipts should not be disturbed, certain types of casual receipts such as winnings from crossword puzzles should be taxed through a separate tax. The value of any benefits granted to an employee by the employer, which, but for this payment, would have been paid by the employee, should be treated as taxable income in the latter's assessment, the liability being confined for the present to employees whose total emoluments exceeded Rs. 24,000 a year and to all directors of companies, irrespective of their emoluments. The distinction between agricultural and non-agricultural income should be done away with, and both incomes should be treated as one eventually for purposes of taxation. As regards losses, the Commission is of the view that, subject to modifications, the existing practice of carrying forward of losses is the most appropriate in the present circumstances. The modifications suggested by the Commission are that losses should be allowed to be carried forward indefinitely instead of for six years as at present ; such losses should be adjusted against income from any business instead of the *same* business as at present (this recommendation to be reviewed after five years) ; they should also be allowed to be set off against non-business income for one year ; and carry-back of losses should be allowed only in case of cessation of business owing to circumstances outside the tax-payer's control.

Depreciation Allowances.—The Commission has rejected the principle of revalorisation or continuous revaluation of fixed assets for allowing depreciation not merely as defective in theory but also as unworkable in practice. However, while there was not such a rise in prices of assets as to justify revalorisation of business units in India, there was a substantial rise in replacement costs as compared to the original costs of the assets concerned. The Commission has pointed out that tax relief through larger depreciation allowances was only one way of finding the additional funds for replacement, the other ways being moderation in the declaration of dividends and larger retention and reinvestment of profits and provision of loan finance at concessional rates by a State-sponsored financial institution. Discussing the various concessions at present operating, the Commission has drawn attention to the significant contribution made by the present system of depreciation allowances and recommends that the system of initial and additional depreciation allowances instituted in 1946 and 1949, respectively, should be continued for another period of five years for industries to which the development rebate is not applicable. The initial depreciation allowance in respect of plant and machinery should also be raised from 20 per cent to 25 per cent of the original cost and it should be taken into account for determining the written-down value of the asset.

Taxation of Mining Industries.—With respect to the taxation of mining industries, the Commission has made several recommendations designed to foster and encourage further development of these industries. Among these recommendations are : royalty, even where it was held to be an appropriation of profits, should be allowed as admissible expenditure to the extent of the amount calculated under the Mineral Concession Rules ; abortive expenditure on exploration should be allowed as a revenue expenditure in the year in which such expenditure was incurred ; capital expenditure incurred for acquiring minerals or a right to work minerals, expenditure on successful exploration and on the development of mines, and cost of the buildings, plant and machinery used for exploration should be allowed as a charge against profits ; depreciation should be allowed in respect of expenditure on tangible assets, and expenditure incurred on intangible assets should be allowed to be amortised.

Incentives to Development of Productive Enterprise.—With the increase in rates of personal income-tax recommended, the Commission takes the view that it is necessary to afford specific incentives in the tax system to productive investment. In making specific proposals, the Commission has in view the need to obtain the maximum benefit to the economy from the limited funds that can be released for the purpose. With regard to the provision of incentives for development, the Commission has recommended that the rebate of one anna in the rupee given at present to all companies on their undistributed profits should continue, and in addition there should be a development rebate for certain selected industries which should take the form of a charge to revenue of 25 per cent of the cost of new fixed assets in the year of their installation, whether for replacement or for expansion, and should be available for both new as well as existing concerns. This rebate should be in lieu of the present initial depreciation allowance ; the additional depreciation allowance would continue as at present. The selection of industries eligible for the development rebate should be made on the basis of (1) the importance of the industries concerned from the view point of national development and (2) the extent to which they are unlikely to be developed if left to private enterprise without any special stimulus. A 'tax holiday' should also be given to all new concerns in selected industries of 'special national importance' for a period of six years. An industry would get the benefit of either the development rebate or of the proposed tax exemption, whichever was higher, but not of both. A review should be made of the working of the concessions at the end of five years.

Rates Structure of Income-Tax.—An analysis of the income-tax assessees by grades of income made by the Commission brought out the fact that the number of assessees was concentrated in the lower slabs of both income-tax and super-tax. The Commission, therefore, feels that it is desirable to achieve a more equitable differentiation in the tax liability by introducing a larger number of slabs into the income-tax and super-tax rate structure. The Commission considers that it would be inappropriate to increase appreciably the burden of direct taxation on the lowest income ranges, particularly in view of the Commission's recommendations to increase indirect taxes, but taking into account the per capita income level there was a case for reducing the exemption limit to Rs. 3,000. The Commission was also of the view that, having regard to the objectives of tax policy, an increase in the schedule of rates including the highest appeared necessary, but the proportionate room for increase in respect of the topmost brackets was correspondingly

smaller than for upper-middle brackets. A maximum marginal rate of 13½ annas in the rupee or 85 per cent on incomes above Rs. 1½ lakhs seemed to it to be "as far as one can go in present circumstances."

The Commission has recommended the introduction of an appropriate system of family allowances within three years ; to begin with, the present tax-exempt slice of Rs. 1,500 might be increased to Rs. 2,000 for married assessees and reduced to Rs. 1,000 for unmarried persons. Earned income allowance should be given only in respect of incomes below a specified limit (say Rs. 24,000), with marginal adjustments to obviate any inequity. At least coincidentally with the introduction of family allowances, aggregation of incomes of husband and wife, and indeed, of the whole family is both equitable and necessary. In the illustrative rate schedules given in the Report, super-tax is shown to be charged at a lower income level than at present. The Commission felt that the existing system of abatement in respect of payment of insurance premia and contributions to provident funds was "one of the most appropriate means of promoting personal savings" and has recommended that the maximum amount for abatement should be increased from one-sixth to one-fifth of total income, subject to a maximum limit of Rs. 16,000 for Hindu undivided families and Rs. 8,000 for other assessees.

Besides what can be achieved at present through an increase in direct taxation, it was necessary to find means to bring about a reduction in the volume of disposable income in the hands of individuals in the higher income brackets. For this purpose, the Commission has recommended a scheme of surcharge-cum-compulsory deposit in respect of incomes of over Rs. 25,000. The main features of the scheme are the levy of a special surcharge of tax on all incomes over Rs. 25,000 at graduated rates, against which an assessee would be entitled to get from Government a long-term loan, say for 45 years, at a nominal rate of interst of an equivalent amount for investment in any manner approved by Government, and the collection from assessees with incomes of over Rs. 25,000 of a compulsory deposit at graduated rates, repayable after 20 years in the form of bonds encashable after a further period of 25 years.

Taxation of Corporate Income.—The Commission then considers certain important aspects of the taxation of dividends in the assessment of individual shareholders. As regards bonus shares, the Commission has come to the conclusion that "bonus shares are not income in any sense of the word as understood in income-tax," and rejects the view that non-taxation of bonus issues as income in the hands of shareholders results in loss of revenue. At the same time, the Commission does not find justification for the exclusion of bonus debentures from the definition of dividend. The present tax concession in favour of smaller Indian companies in the corporation tax is justified and, in the Commission's view, should be extended to all companies on a slab basis. A lower rate of tax on the first slab of income (say, on the first Rs. 25,000 of total income) is accordingly recommended ; this lower rate should be applicable to public 'non-Indian' companies also.

On an examination of relevant data, private companies are seen to be, by and large, of the nature of closely-held corporations. The Commission does not accept the plea for the repeal of Section 23A of the Income-Tax Act. Some method of regulating the distribution of profits by companies in which the public interest was not substantial was called for. The Commission suggests that Section 23A

should incorporate a more suitable definition of what constitutes substantial public interest. A main recommendation of the Commission in regard to companies to which Section 23A becomes applicable is that an additional corporation tax should be levied on the company at a flat rate on the undistributed portion of 'distributable' profits, instead of including the deemed distribution in the assessment of individual shareholders.

Evasion and Avoidance of Tax.—The Commission states that evasion and avoidance results in loss of revenue and an inequitable burden on the honest tax-payer, and it is necessary to awaken public conscience to the fact that the more widespread the leakage of revenue, the larger the burden on the honest tax-payer.

The problem of tax evasion could be tackled by improving and strengthening the enforcement machinery. In this connection, the Commission has made a number of recommendations which include the following : the existing arrangements for 'external survey' work should be continued and carried out with vigour ; the activities of the Collation Branch working under the Director of Inspection should be extended ; the system of 'special circles' should be extended so as to enable the more difficult cases in charge of Commissioners of Income-tax to be dealt with effectively by selected officers ; income-tax officers should be authorised with the previous sanction of the Commissioner of Income-tax to enter business premises and inspect the accounts and documents etc.; the maximum limit of penalty should be increased to three times the amount of tax evaded ; and it should be made obligatory on every assessee to submit a statement of his assets and liabilities ('net worth' statement) every three years. For investigating cases of substantial evasion, the Commission feels that the balance of advantage lies in having an extra departmental body such as the Income-tax Investigation Commission, possessing special powers for investigation and settlement and presided over by a High Court Judge. The Commission has, therefore, recommended that a special organisation of this kind should be constituted and retained as a permanent feature of income-tax administration.

The Commission then proceeds to examine the administrative machinery of the Income-tax Department, under four heads, namely, assessment procedure, collection and recovery procedure, appellate procedure and adequacy and training of personnel.

Estate Duty.—In regard to estate duty, the Commission suggests that Government should keep in mind the feasibility of reducing the present exemption limit. The Commission does not favour the introduction of a gifts tax at this stage, but has recommended that the period before death during which gifts *inter vivos* become liable to estate duty should be increased from two years to five years. As more experience is gained, the rates of duty should be reviewed with a view to increasing them.

Import Duties.—An analysis of the current structure of import duties revealed that the possibilities of increasing revenue from this source through increase in rates were, on the whole, negligible. A decrease in revenue from import duties was to be expected, mainly due to decline in imports of motor spirit and kerosene, which should be made up from excise duties on the same articles.

In regard to international commercial agreements (including the GATT), the Commission has pointed out the need for a careful balancing of the commercial factors against the revenue considerations involved.

Export Duties.—The Commission has indicated that as the range of exports got diversified, there may be increased scope for the levy of export duties. Export duties, in conjunction with export controls, could be used for stabilisation of internal prices of essential commodities and for protective purposes. In the Commission's view, it is a matter of great importance that there should be an appropriate machinery in the country and in overseas trade centres for the prompt and systematic collection of accurate information regarding trends in prices and trade, and the Commission has, therefore, suggested a thorough investigaton to be made in the existing organisation by the Ministry of Commerce and Industry. The suggestion that the proceeds of export duties should be credited to a special fund for the development of the industry concerned is not accepted.

Excise Duties.—The Commission then proceeds to deal with the question of excise duties. Its recommendations in this field cover a wide variety of commodities, including tobacco and tobacco products, cotton cloth, sugar, matches, cigarettes, kerosene, tea, woollen fabrics, electric lamps, paper, biscuits and aerated water. In the Commission's view, there is a case for enhancement of rates of duty to a moderate extent on all varieties of cloth. In respect of matches, the Commission has indicated that there is scope for higher excise duties on matches and has also suggested that appropriate preferential rates for small-scale match factories should be fixed on the basis of an enquiry into the costs of production of small units. The Commission has recommended the abolition of the surcharge on cigarettes of the value category of Rs. 10-15 per 1000 and replacement of the resultant revenue loss by an increased rate on cigarettes of the value category of Rs. 40-50 per 1000 ; the present system of taxation of unmanufactured tobacco and tobacco products is otherwise not suggested to be modified. The Commission has recommended increases in the existing duties on sugar, kerosene, loose and package tea, and imposition of new duties on woollen textiles, electric lamps, dry and storage batteries, paper (excepting hand-made paper), sewing machines, paints and varnishes, biscuits, ceramics, glass and glassware, aerated water and vegetable oils (with exemption for *ghanies*). The enhancement of the existing duties and the imposition of new ones suggested by the Commission were expected roughly to increase the existing revenue from Union excises by 40-45 per cent.

In the third volume, the Commission deals with State and Local taxes.

Sales Tax.—In the sphere of State taxation, the Commission first outlines some features of the sales tax and the development of this tax since it was first introduced in 1938 and then goes on to examine certain suggestions regarding sales taxation. In the view of the Commission, (1) Extension of sales tax to services proper would raise serious administrative difficulties, (2) Transactions in forward markets were more appropriately taxed through the stamp duty than by a sales tax, (3) A sales tax on newspapers would not be worthwhile, (4) First-stage single-point sales tax is not a suitable form of sales taxation for general adoption, although it has certain limited uses as part of, or in combination with, other systems, (5) A low multi-point sales tax in all States would undoubtedly simplify the accounts but a low rate would

not give the States the revenue they now derived, (6)A purchase tax is practicable only in a very limited context, *e.g.*, in respect of motor cars and other readily traceable articles, and its limited application makes it a negligible source of revenue, and (7) The merit of the sales tax as an important source of revenue lies in the fact that it is dispersed over a large number of goods and of dealers which makes it possible to realise substantial revenue from a comparatively low rate of tax. It cannot, therefore, conveniently and effectively be replaced by a combination of excise, customs and octroi.

The Union, the States and Sales Tax.—The future of the system of sales taxation demanded decisions on major issues of policy, the most important among them being the place to be accorded to the Union and the States. According to the Commission, the broad considerations of policy basic to the future development of sales tax were : the sales tax must essentially continue to be a State tax ; however, the power and the responsibility of the State may be said to end and that of the Union begin when the sales tax of one State impinges administratively on the dealers and fiscally on the consumers of another State ; inter-State sales, therefore, should be the concern of the Union ; the Union's powers of levy and control in respect of inter-State trade and sales of specified raw materials which figure significantly in inter-State commerce should be so exercised that there was no avoidable duplication in actual administration and there was incentive for co-ordination between the States ; subject to the above, each State should be free to evolve the system of sales tax best suited to its conditions. The rate of the Central tax on inter-State transactions should be low. Parliamentary legislation will provide for the levy of sales tax on inter-State transactions. It will provide for delegating to the States the powers of the Central Government in respect of assessment, collection, etc. It will also provide that receipts will be distributed to States on the basis of collection.

The Commission then passes on to suggest constitutional amendments necessary to give effect to the policies regarding sales tax outlined by it. Coal, iron and steel, cotton, hides and skins, oilseeds and jute are proposed to be specified in the Central legislation as articles of special importance in inter-State trade. The main condition will be that no State shall have a system of levy other than a single-point tax on such goods. The Commission strongly recommends that no addition should be made to this list without consulting the proposed Inter-State Taxation Council.

The States and the Sales Tax.—As regards the future pattern of sales tax, the Commission feels that it is desirable that the sales tax, in a suitable and not unduly burdensome form, should reach the lower income groups and cover a large number of persons ; for this to be possible, the rate of tax has to be low, and the system, a multi-point one. For the middle and higher incomes and for dealers at a higher level of turnover, the multi-point aspect of the system should co-exist with the levy of a single-point tax. All dealers having a turnover exceeding Rs. 5,000 a year should be made liable to the multi-point tax in the combined system recommended by the Commission. The rate of tax should not be higher than half per cent. For the single-point tax, the turnover limit should be relatively high *e.g.*, Rs. 30,000 a year. The rate of the single-point tax and the taxable quantum of the dealers liable to tax will have to be determined by each State in accordance with its revenue

requirements and other circumstances. The higher rate of single-point tax will apply to goods other than those entering the cost of living of the poorer classes. The single-point tax need not necessarily be uniform on all types of goods. As at present, some of the 'luxury' articles can and should be subjected to a higher rate of levy. The adoption of this flexible pattern of sales taxation will mean more revenue to each State in addition to achieving a simpler and a more rational system.

In the field of co-ordination and uniformity in sales taxation, the Commission has recommended that it was desirable to have meetings of the Heads of Sales Tax Departments of all States under the auspices of the proposed Inter-State Taxation Council at least once a year and that the Inter-State Taxation Council should undertake the task of introducing as much uniformity as possible in the matter of sales tax legislation, regulation, forms and procedure.

State Taxes on Motor Vehicles and Motor Spirit.—Motor vehicles and motor spirit are subject to different types of taxes by different authorities, Central, State and Local. The Commission states that the existence of a multiplicity of taxes was not peculiar to India. There is little connection between octroi and taxes on motor vehicles, as the former were levied on goods, and the latter on vehicles. Unlike octroi and terminal tax, the wheel tax imposed by municipalities was a direct addition to State Governments' own levy on motor vehicles. In the opinion of the Commission, it was desirable to consolidate the two levies, abolish the municipal wheel tax, increase the motor vehicles tax and apportion a part of the proceeds to the municipalities concerned. These recommendations are not intended to apply to wheel tax levied by Corporations.

With respect to Central and State Road Funds, although the Commission is as a rule opposed to the earmarking of revenues for specific purposes, an exception has been found necessary in the context of road development. The Commission has also proposed appropriate arrangements for the earmarking of the proceeds from the taxation of motor vehicles and motor spirit.

Stamp Duty, Court Fees and other State Taxes.—Dealing with stamp duties, the Commission has recommended that uniformity in the rates of stamp duties on instruments concerned with inter-State transactions is neither necessary nor desirable ; that in view of the leeway which banking has yet to make in India, no stamp duty should be levied on cheques ; and that as and when the forward markets in different commodities are brought under the control of the Forward Markets Regulation Act in different States, it should be possible for the States to impose stamp duties on forward transactions, as in Bombay. With respect to court fees, the Commission is in agreement with the view that court fees should be on the basis of covering the expenses of administration of justice.

As regards other State taxes, the Commission has, among other things, recommended substitution of percentage rates for slab rates in the case of the entertainment tax ; taking over of the regulation and taxation of prize competitions and lotteries by the Union Government; proper co-ordination of the different taxes on tobacco levied by different authorities ; and abolition of inter-State transit duties within reasonable time.

Land Revenue and Agricultural Income-Tax.—The significance of land revenue as an item of contribution to the exchequer and as an item of burden on the agriculturist has undergone very substantial modification since the early days of its introduction. Firstly, there have been vast changes in agricultural economy, including the rise in agricultural prices, in the perspective of which land revenue has shrunk in dimensions. Secondly, there has been a transformation of the simple fiscal system with land revenue as its main feature into the complex system of the present day in which income-tax, customs and excise duties and certain State taxes have come to occupy a far more important place than land revenue.

Discussing the future pattern of land revenue and agricultural income-tax, the Commission states that, while there are bound to be differences in the land revenue systems of different States, it will be both advisable and feasible to aim at a minimum degree of uniformity in more basic matters like nature of tenure, manner of initial fixation of assessment, method of revision of assessment, place of land revenue vis-a-vis agricultural income-tax etc. In this connection, the Commission has made, among others, the following recommendations :—(1) The basic pattern of settlement and revision, while largely similar to the existing ryotwari pattern, should make a departure from it in significant respects. Revisions of settlement should be divorced from small units and local prices and be based instead on the State as a whole or within the State on homogenous regions, (2) Within the limits set for revision, the standardised assessment should continue indefinitely. The State Governments should not levy surcharges over and above it and all surcharges on the standardised assessment should be by local bodies for local services, (3) Initial settlement including survey and classification is indispensable and should be undertaken in all areas where these operations remain to be conducted, (4) The present levels of assessment should be first standardised over the State as a whole and the standardised assessment then revised State-wise, or region-wise at reasonable intervals, (5) Once assessment levels had been standardised, land revenue should be revised once in ten years with reference to changes in the price level ; a change in prices by 25 per cent in either direction should not call for any adjustment in land revenue demand (6) An agricultural income-tax on the higher agricultural incomes should be adopted by all the States which have not yet done so, (7) The eventual aim should be to merge agricultural income with non-agricultural income and levy one income-tax. As a first step in this direction, the Union should make it possible for the States to levy a surcharge on agricultural income-tax with reference to the non-agricultural incomes of the assessees, and (8) All agricultural incomes above Rs. 3,000 a year should be made liable to agricultural income-tax.

Irrigation and Betterment Charges.—According to the Commission, as a general principle, the future systems of water rates should be such as to promote economy in the use of canal water ; water rates must ordinarily cover maintenance charges and should be reviewed (and revised when necessary) at not too long intervals ; and concessional or incentive rates would be necessary in the initial stages of development, and in certain areas. In regard to betterment levy, the Commission has recommended that the quantum of the levy may be fixed at a maximum of 50 per cent of the increase in value of land due to irrigation, and its recovery should be spread over a reasonably long period.

Local Finance and Taxation.—Dealing with the approach to local finance and taxation, the Commission has expressed the view that a cautious policy would be preferable to undue optimism in the matter of entrusting a wider range of economic and other functions to the village panchayats, especially in the sphere of promotion of the productive, distributive and other socio-economic activities of the rural areas. A few well-chosen and clearly defined duties should be assigned to the panchayats and these should be co-ordinated with similar functions assigned to district boards and other rural boards.

With respect to local taxation, the Commission does not consider that an amendment of the Constitution is necessary to ensure reservation of certain taxes exclusively for local bodies. The taxes recommended by the Commission for exclusive utilisation by or for local bodies are taxes on lands and buildings ; octroi duties ; taxes on vehicles other than those mechanically propelled ; taxes on animals and boats ; taxes on professions, trade and employments ; and taxes on advertisements other than those appearing in newspapers. In addition, other taxes *e.g.*, the theatre tax, the duty on transfer of property, taxes on goods and passengers carried by road or inland waterways and tolls are also recommended as suitable for local bodies. The Commission is of the view that normally grants-in-aid should be preferred to assignments of shares of taxes as a method of financing local bodies and has laid down certain principles for the system of grants-in-aids. The proceeds from motor vehicles tax and land revenue should, however, be shared. The Commission has also made detailed recommendations regarding property tax and service taxes, betterment taxes and contributions, taxes on transfer of immovable property, land cess, octroi and terminal taxes, taxes on professions, vehicles, animals etc., theatre tax, tolls and tax on advertisements.

STATEMENTS

In using the accompanying Statements, the following general information may be noted.

(1) The Currency Unit of the Indian Union is the Rupee divided into 16 annas, each anna being further divided into 4 pice pieces. A Rupee is equivalent to 21.00 U. S. cents or 1sh. 6d. sterling.

(2) The Indian Union is a federation of *ten* Part A States, *seven* Part B States (excluding Jammu and Kashmir), *nine* Part C States and *one* Part D territory. The total population of the Indian Union, according to the 1951 Census, is 357 million. The Federal Government is the Government of India, also called the Central or Union Government.

(3) A crore =10 million (Rs. 1 crore being equal to U.S. £2. 1 million or £750,000 sterling). A lakh=1/10 million.

(4) A tola=3/8 ounce.

(5) Where necessary, each figure has been rounded off to the nearest final digit. For this reason, there may be in some Tables and Statements an apparent slight discrepancy between the sum of the constituent items and the total as shown.

(6) The following symbols have been used :

.. = Figure is not available. — = Figure is nil or negligible.

(7) A line drawn across a column between two consecutive figures denotes that the figures above and below the line are not comparable. In each case a footnote is added indicating the nature of the difference.

STATEMENT I

Selected Economic Indicators for Certain Countries

	Australia			Canada			France			W. Germany		
	1952	1953	1954	1952	1953	1954	1952	1953	1954	1952	1953	1954
I. Production and Prices (Index Numbers) (1948=100)												
1. Industrial Production	..	..	..	119	127	125	131	127	139	231	251	280
2. Agricultural Production ..	..	..	..	132	124	..	118	..	..	107	..	..
3. Wholesale Prices (General) (*a*) ..	185	189	186	117	114	112	163	155	153	114(*b*)	111(*b*)	110(*b*)
4. Share Prices (Industrial) ..	103	102	108	165	149	170	137	147	206	..	..	..
5. Cost of Living (*c*)	170	178	179	121	120	120	169	167	167	110	108	108
II. Money, Banking and Capital Markets												
6. National Income (*d*)	3·20	3·54	3·71	18·25	19·09	18·74	10,310	10,470	..	98·10	103·70	..
7. Money Supply (End of Year)	1·42	1·59	1·60	5·17	5·13	5·44	4,159	4,630	5,255	20·71	23·43	26·38
(*i*) Currency (,,)	0·34	0·36	0·39	1·38	1·43	1·46	2,124	2,310	2,551	10·22	11·97	12·75
(*ii*) Deposit Money (,,)	1·08	1·23	1·21	3·80	3·71	3·98	2,033	2,320	2,704	10·49	11·46	13·63
8. Time Deposits (,,)	0·22	0·25	0·26	4·93	5·03	5·62	98	136	165	11·67	16·25	20·87
9. Government Deposits (,,)	0·02	0·03	0·05	0·07	0·53	0·23	..	..	..	5·96	7·10	7·58
10. Domestic Loans and Investments of Commercial Banks (*e*)	1·05	1·16	1·19	7·14	7·64	8·28	2,897	3,220	3,608	40·17	50·18	63·33
11. Foreign Assets of Central Banks (*e*)	0·35	0·52	0·42	0·002	0·003	0·003	236	225	394	4·89	8·33	11·27
12. Discount Rate of Central Banks (per cent) (End of Year)	..	..	..	2·00	2·00	2·00	4·00	3·50	3·00	4·50	3·50	3·00
13. Treasury Bill Rate (per cent) ..	0·85	1·00	1·00	1·07	1·69	1·44	3·00	3·00	..	..	..	..
14. Long-term Government Bond Yield (per cent)	4·34	4·48	4·46	3·59	3·68	3·14	5·60	5·41	5·38	..	..	..
III. Government Finance (*i*)												
15. Revenue	1·0	1·0	1·0(*l*)	4·4	4·4	4·1	2,777	3,081	2,903	23·1	22·8	25·1
16. Expenditure	0·9	1·0	1·0(*l*)	4·3	4·4	4·3	3,381	3,814	3,586	23·1	23·5	25·1
17. Public Debt	3·3	3·4	3·6(*l*)	17·8	..	..	4,879	..	..	1·5	1·2	..
IV. Trade (value) (*j*)												
18. Exports (*f.o.b.*)	0·67	0·85	0·82	4·36	4·17	3·95	1,362	1,327	1,466	16·91	18·53	22·05
19. Imports (*c.i.f.*)	1·05	0·51	0·68	4·03	4·38	4·09	1,553	1,404	1,475	16·20	16·01	19·34
20. Net Balance of Trade	−0·38	+0·34	+0·14	+0·33	−0·21	−0·14	− 191	− 77	− 9	+0·71	+2·52	+2·71

Note :—Amounts are in billions of national currency, unless otherwise stated.

(*a*) Home and import goods for Australia and France. (*b*) Base: July-December 1948=100. (*c*) For France, base: 1949=100. (*d*) For Australia, year ending June 30; India, year beginning April 1; and others, calendar year. (*e*) Last Friday for India and end of year for others. For the U.S.A., the figures against item 11 represent short-term foreign assets of the country. (*f*) Sales of Treasury bills to the public remained suspended during the following periods: (1) December 20, 1949 to September 9, 1952 and (2) April 20, 1954 to November 2, 1954. (*g*) First half of the year. (*h*) Second half of the year. (*i*) Year ending June 30 for Australia and the U.S.A.; year beginning April 1 for Canada, Western Germany, India, Japan and the U.K. and calendar year for France. (*j*) Year ending June 30 for Australia, 12 months beginning April 1 for India and calendar year for others. Imports *f.o.b.* for Australia, Canada and the U.S.A. (*k*) Not strictly comparable with 1952. (*l*) Estimates.

* In billions of U.S. dollars.

	India			Japan			U.K.			U.S.A.		
	1952	1953	1954	1952	1953	1954	1952	1953	1954	1952	1953	1954
I. Production and Prices												
(Index Numbers) (1948=100)												
1. Industrial Production	119	125	135	213	257	276	114	121	129	119	129	120
2. Agricultural Production ..	95	105	..	106	..	..	..	..	..	107	112	118
3. Wholesale Prices (General) (*a*) ..	105	107	105	273	274(*k*)	272	149	150	150	107	105	106
4. Share Prices (Industrial) ..	72	69(*k*)	82	252	383	272	90	102	134	156	156	191
5. Cost of Living (*c*)	105	108	104	150	160	170	126	130	132	110	111(*k*)	112
II. Money, Banking and Capital Markets												
6. National Income(*d*)	98·60	106·00	..	5,027	5,852	..	13·74	14·80	..	291·00	305·00	300·00
7. Money Supply (End of Year)	16·83	17·15	18·30	1,265	1,439	1,463	5·37	5·53	5·72	129·00	131·10	134·30
(*i*) Currency (,,)	11·22	11·53	12·10	554	609	604	1·44	1·52	1·62	27·49	27·80	27·40
(*ii*) Deposit Money (,,)	5·61	5·62	6·20	710	829	859	3·93	4·00	4·10	101·51	103·30	106·90
8. Time Deposits (,,)	3·13	3·32	3·65	1,031	1,336	1,588	2·23	2·37	2·46	40·67	45·00	46·70
9. Government Deposits (,,)	1·75	1·10	0·55	93	84	84	0·02	..	..	5·65	4·30	4·40
10. Domestic Loans and Investments of Commercial Banks (*e*)	8·08	8·10	8·74	2,016	2,544	2,795	5·67	5·90	6·06	142·30	145·10	156·20
11. Foreign Assets of Central Banks (*e*)	7·46	7·63	7·71	0·05*	0·05*	0·05*	..	..	..	1·05	0·90	1·39
12. Discount Rate of Central Banks (per cent) (End of Year) ..	3·50	3·50	3·50	5·84	5·84	5·84	4·00	3·50	3·00	1·75	2·00	1·50
13. Treasury Bill Rate (per cent)	2·15(*f*)	2·42(*f*)	2·57(*f*)	..	..	..	2·20	2·31	1·80	1·77	1·94	0·95
14. Long-term Government Bond Yield (per cent)	3·89	3·95	3·99	5·50(*g*) 5·50(*h*)	5·50(*g*) 7·22(*h*)	6·63(*g*) 6·32(*h*)	4·23	4·08	3·76	2·68	2·92	2·54
III. Government Finance (*i*)												
15. Revenue	4·4	4·2	4·5(*l*)	2,429	2,701	2,698(*l*)	4·4	4·4	4·7	64·8	64·7	59·0(*l*)
16. Expenditure	4·0	4·1	4·6(*l*)	2,087	2,351	2,614(*l*)	4·4	4·3	4·3	74·3	67·8	63·5(*l*)
17. Public Debt	20·8	21·3	23·9	..	..	..	26·1	26·6	26·9	266·1	271·3	274·3(*l*)
IV. Trade (value) (*j*)												
18. Exports (*f.o.b.*)	5·77	5·31	5·78	458·24	458·94	586·56	2·73	2·69	2·78	15·19	15·77	15·08
19. Imports (*c.i.f.*)	6·68	5·66	6·11	730·35	867·47	863·79	3·48	3·34	3·38	10·72	10·87	10·21
20. Net Balance of Trade	−0·91	−0·35	−0·33	−272·11	−408·53	−277·23	−0·75	−0·65	−0·60	+4·47	+4·90	+4·87

Note :—For foot-notes, please see previous page.

Sources : Monthly Bulletin of Statistics (United Nations); International Financial Statistics (IMF); Reserve Bank of India Bulletin; Economic Statistics of Japan, 1954 (Bank of Japan); Federal Reserve Bulletin ; Statistical Summary (Bank of Canada) March 1955; Monthly Report of the Bank Deutscher Lander, November 1954; Economic Report of the President of the U.S.A., January 1955; and Budget papers of the United Kingdom.

STATEMENT 2

Index Numbers of Wholesale Prices and Cost of Living in Selected Countries

(Base : 1948=100)

Year and Month	Australia P(*a*)	Australia C	Canada P	Canada C	France P(*b*)	France C*	India P	India C	Union of South Africa P(*c*)	Union of South Africa C	United Kingdom P	United Kingdom C	United States P	United States C
1950	132	120	109	107	121	130	109	103	107	108	120	106	99	100
1951	163	145	124	118	155	151	120	107	117	116	146	116	110	108
1952	185	170	117	121	163	169	105	105	138	126	149	126	107	110
1953	189	178	114	120	155	167	107	108	143	130	150	130	105	111
1954	186	179	112	120	153	167	105	104	144	133	150	132	106	112
January 1953	187		115	120	158	172	103	104	150	128	150	128	105	111
February „	185	175(*d*)	114	120	156	173	104	105	148	128	148	129	105	110
March „	185		115	119	157	172	105	106	147	128	150	130	105	111
April „	188		113	119	156	171	105	106	147	128	152	131	105	111
May „	188	177(*d*)	114	119	157	172	108	108	148	129	151	130	105	111
June „	188		115	119	155	171	110	112	149	131	150	131	105	111
July „	190		114	120	154	170	111	113	149	130	150	131	106	112
August „	197	179(*d*)	115	120	154	169	112	113	151	132	149	130	106	112
September „	195		114	121	154	167	110	112	151	133	149	130	106	112
October „	193		114	121	153	167	107	110	152	133	148	130	106	112
November „	188	180(*d*)	113	121	154	167	106	107	150	131	149	130	105	112
December „	186		113	120	155	168	106	105	150	130	149	130	105	112
January 1954	186		114	120	155	169	109	106	150	130	149	130	106	112
February „	186	180(*d*)	113	120	155	170	108	104	150	131	149	130	106	112
March „	186		113	120	153	170	107	103	149	131	150	131	106	112
April „	186		113	120	154	168	110	104	149	132	150	132	106	111
May „	186	180(*d*)	113	120	156	170	108	104	149	132	151	131	106	112
June „	186		113	120	151	170	104	103	150	132	152	132	105	112
July „	186		112	120	151	165	104	102	150	132	152	134	106	112
August „	185	179(*d*)	112	121	153	165	104	103	151	132	150	133	106	112
September „	186		111	121	151	166	105	103	151	134	150	132	105	112
October „	184		111	121	150	166	104	103	152	134	150	133	105	111
November „	185	180(*d*)	111	121	151	167	102	100	151	135	151	134	105	112
December „	186		111	121	152	168	100	99	151	135	153	134	105	111

P= Wholesale Prices. C= Cost of living. (*a*) Home-consumed goods in Melbourne. (*b*) Home-consumed goods in Paris. (*c*) Home-consumed goods. (*d*) Quarterly indices. * Base : 1949=100.

Source : International Financial Statistics, issued by the IMF.

STATEMENT 3

INDEX NUMBERS OF MONEY SUPPLY IN SELECTED COUNTRIES

(*Base :* End of 1949=100)

Countries	End of 1950	1951	1952	1953	1954*
Australia	124	142	135	151	156
Belgium-Luxembourg ..	99	108	112	115	117
Canada	110	110	117	116	123
Ceylon	140	155	138	127	147
France	115	136	154	171	193
Germany (Western)	115	135	150	170	192
India	98	95	90	92	98
Italy	110	128	147	163	178
Japan	116	154	186	212	216
Netherlands	94	96	106	113	121
New Zealand	113	116	115	135	147
Norway	99	113	120	125	130
Pakistan	106	135	116	128	138
Sweden	106	127	131	137	140
Switzerland	103	107	111	116	119
Union of South Africa ..	112	114	113	119	121
United Kingdom	102	103	104	107	110
United States of America ..	106	112	116	118	120

* Based on the percentage variations as at the end of the period.

Source : International Financial Statistics, issued by the IMF.

STATE

Money Market Rates

(Per cent

Countries	Description	1950	1951	1952	1953	1954
		Average of months				
Treasury Bills						
Australia	Tap 3 months ..	0·75	0·75	0·85	1·00	1·00
Belgium	Tap 4 months ..	1·31	1·31	1·31	1·31	1·31
Canada	Tender 3 months ..	0·55	0·80	1·07	1·69	1·44
France	Tap 2½—3½ months	2·00	2·14	3·00	3·00	..
India	Tender 3 months ..	*	*	2·15	2·42	2·57
Italy	Tap 3—4 months ..	3·25	3·25	2·92	2·75	2·75
Netherlands	Tender 3 months ..	1·40	1·36	1·08	0·57	0·55
Union of South Africa ..	Tap 6 months ..	1·00	1·00	1·29	2·00**	2·00
United Kingdom	Tender 3 months ..	0·51	0·56	2·20	2·31	1·80
United States of America ..	Tender 3 months ..	1·22	1·55	1·77	1·94	0·95
Other Rates						
France	Call money rate ..	2·43	2·70	3·79	4·04	3·59
India†	,, ,, ,, ..	0·58	0·98	2·03	2·21	2·45
Japan§	,, ,, ,, ..	6·41	7·12	8·06	7·82	7·85
Netherlands	,, ,, ,, ..	1·07	1·03	0·77	0·52	0·52
Switzerland	Private discount rate	1·50	1·50	1·50	1·50	1·50
Union of South Africa ..	Commercial overdraft rate.	5·00	5·00	5·38	5·50	5·50
United Kingdom ..	3-month bank acceptances	0·69	0·91	2·71	2·77	1·84
	Call money rate ..	0·62	0·69	2·01	2·16	1·63
United States of America‡	Prime 90-day bankers' acceptances ..	1·15	1·60	1·75	1·88	1·36
	Call money rate ..	1·62	2·14	2·48	3·06	3·05

* Sales of Treasury bills to the public remained suspended during the following periods :—
(1) December 20, 1949 to September 9, 1952 and (2) April 20, 1954 to November 2, 1954.
** Beginning June 3, 1953. † Call money rate in Bombay ; monthly data are averages of Friday quotations. § In Tokyo. ‡ In New York.

MENT 4

in Selected Countries

per annum)

1954											
Jan.	Feb.	March	April	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.
1·00	1·00	1·00	1·00	1·00	1·00	1·00	1·00	1·00	1·00	1·00	1·00
1·31	1·31	1·31	1·31	1·31	1·31	1·31	1·31	1·31	1·31	1·31	1·31
1·86	1·75	1·62	1·58	1·60	1·57	1·38	1·32	1·21	1·18	1·17	1·08
3·00	3·00	3·00	3·00	3·00	3·00	3·00	3·00	3·00	3·00	..	–
2·49	2·58	2·69	2·68	*	*	*	*	*	*	2·48	2·50
2·75	2·75	2·75	2·75	2·75	2·75	2·75	2·75	2·75	2·75	2·75	2·75
0·23	0·25	0·45	0·41	0·38	0·38	0·40	0·75	0·88	0·88	0·87	0·77
2·00	2·00	2·00	2·00	2·00	2·00	2·00	2·00	2·00	2·00	2·00	2·00
2·12	2·07	2·10	2·09	1·84	1·61	1·57	1·60	1·63	1·59	1·60	1·79
1·21	0·98	1·05	1·01	0·78	0·65	0·71	0·89	1·01	0·99	0·95	1·17
3·66	3·55	3·42	3·55	3·54	3·57	3·79	3·82	3·77	3·65	3·51	3·29
2·88	2·88	2·88	2·88	2·88	2·72	2·28	2·25	2·00	1·99	1·52	2·21
7·30	7·30	7·30	8·03	8·03	8·03	8·03	8·03	8·03	8·03	8·03	8·03
0·50	0·50	0·50	0·50	0·50	0·50	0·50	0·53	0·51	0·63	0·50	0·57
1·50	1·50	1·50	1·50	1·50	1·50	1·50	1·50	1·50	1·50	1·50	1·50
5·50	5·50	5·50	5·50	5·50	5·50	5·50	5·50	5·50	5·50	5·50	5·50
2·19	2·15	2·16	2·17	1·90	1·66	1·60	1·61	1·64	1·62	1·62	1·78
1·94	1·95	1·91	1·91	1·66	1·46	1·44	1·43	1·43	1·46	1·44	1·47
1·88	1·69	1·48	1·25	1·25	1·25	1·25	1·25	1·25	1·25	1·25	1·25
3·25	3·25	3·13	3·00	3·00	3·00	3·00	3·00	3·00	3·00	3·00	3·00

Sources :—International Financial Statistics issued by the IMF., Monthly Bulletin of Statistics of the United Nations, Federal Reserve Bulletin and Quarterly Bulletin of Statistics, South African Reserve Bank.

STATEMENT 5

Balance of International Transactions of the United States during 1954

(Millions of U. S. Dollars)

Item	Sterling Area				All Areas			
	Jan.-June 1954	July-Dec. 1954	**1954**	**1953**	Jan.-June 1954	July-Dec. 1954	**1954**	**1953**
Exports of goods	784	956	**1,740**	**1,607**	6,291	6,380	**12,671**	**12,226**
Exports of services ..	455	580	**1,035**	**943**	2,345	2,598	**4,943**	**4,758**
Total ..	**1,239**	**1,536**	**2,775**	**2,550**	**8,636**	**8,978**	**17,614**	**16,984**
Imports of goods	785	738	**1,523**	**1,701**	5,266	5,029	**10,295**	**10,954**
Imports of services.. ..	552	559	**1,111**	**974**	2,649	2,869	**5,518**	**5,470**
Total ..	**1,337**	**1,297**	**2,634**	**2,675**	**7,915**	**7,898**	**15,813**	**16,424**
Balance on goods and services	**− 98**	**+ 239**	**+ 141**	**− 125**	**+ 721**	**+1,080**	**+1,801**	**+ 560**
Unilateral transfers (Net) :	− 133	− 160	**− 293**	**− 513**	−2,835	−2,439	**−5,274**	**−6,707**
Private	− 41	− 40	**− 81**	**− 87**	− 217	− 222	**− 439**	**− 473**
Government :								
Economic aid ..	− 88	− 116	**− 204**	**− 417**	− 733	− 838	**−1,571**	**−1,813**
Military aid	*	*	*	*	−1,822	−1,315	**−3,137**	**−4,281**
Other	− 4	− 4	**− 8**	**− 9**	− 63	− 64	**− 127**	**− 140**
Balance including unilateral transfers ..	**− 231**	**+ 79**	**− 152**	**− 638**	**−2,114**	**−1,359**	**−3,473**	**−6,147**
United States capital (Net) :	− 19	− 134	**− 153**	**− 33**	− 614	− 823	**−1,437**	**− 597**
Private	− 14	− 185	**− 199**	**− 30**	− 718	− 827	**−1,545**	**− 377**
Government	− 5	+ 51	**+ 46**	**− 3**	+ 104	+ 4	**+ 108**	**− 220**
Foreign capital (Net) : ..	+ 310	− 318	**− 8**	**+ 39**	+ 682	+ 756	**+1,438**	**+1,106**
Long-term	+ 66	+ 58	**+ 124**	**+ 110**	+ 151	+ 82	**+ 233**	**+ 125**
Short-term	+ 244	− 376	**− 132**	**− 71**	+ 531	+ 674	**+1,205**	**+ 981**
Gold [purchases (−) or sales (+)]	+ 50		**+ 50**	**+ 482**	+ 64	+ 234	**+ 298**	**+1,163**
Errors and omissions including multilateral settlements	− 110	+ 373	**+ 263**	**+ 150**	+ 160	− 123	**+ 37**	**+ 194**

* Military aid to sterling area countries is not shown separately.

STATEMENT 6

Gold and Dollar Accounts of the Sterling Area

(Millions of U. S. Dollars)

	1954 January-June	1954 July-December (Provisional)	1954 (Provisional)	1953
I. Transactions with Dollar Area				
A. United Kingdom :				
(*a*) Balance of current transactions including defence aid (Net) ..	+ 53	−337	−284	− 21
(*b*) Other transactions (investment, etc.)	+ 85	+133	+218	+ 49
Total U. K. Surplus (+) **or Deficit** (−) **(Net)**	**+138**	**−204**	**− 66**	**+ 28**
B. Rest of Sterling Area :				
(*a*) U.K. Colonies	+151	+127	+279	+283
(*b*) Other sterling area countries ..	− 77	−124	−201	− 42
Gold sales to U.K. :				
(*a*) U.K. Colonies	+ 8	+ 16	+ 24	+ 1
(*b*) Other sterling area countries ..	+179	+186	+364	+220
Total Rest of Sterling Area Surplus (+) **or Deficit** (−) **(Net)**	**+261**	**+205**	**+466**	**+462**
II. Transactions with Non-Dollar Areas				
(*a*) Other Western Hemisphere ..	+ 2	+ 55	+ 57	+ 24
(*b*) OEEC Countries	+ 43	−202	−159	+ 55
(*c*) Other non-sterling countries ..	+ 56	− 10	+ 46	+109
(*d*) Non-territorial organisations ..	—	−100	−100	− 6
Total Gold and Dollar Transfers (Net) ..	**+101**	**−257**	**−156**	**+182**
Total Net Gold and Dollar Surplus (+) **or Deficit** (−)	**+499**	**−255**	**+244**	**+672**

STATEMENT 7

World Gold Production

(Thousands of fine ounces)

Countries	1950	1951	1952	1953	1954	*Percentage increase (+) or decrease (—) of 1954 over 1953*
I. British Commonwealth ..	18,758	18,603	19,093	18,886	20,520*	*+ 8·7*
(*a*) Australia	861	896	980	1,075	1,110*	*+ 3·3*
(*b*) Canada	4,441	4,392	4,472	4,069	4,310*	*+ 5·9*
(*c*) Gold Coast	689	699	691	731	787	*+ 7·7*
(*d*) Indian Union ..	197	226	253	223	241	*+ 8·1*
(*e*) New Zealand ..	77	75	60	38	35*	*— 7·9*
(*f*) Southern Rhodesia ..	511	487	497	501	540*	*+ 7·8*
(*g*) Union of South Africa	11,664	11,516	11,819	11,940	13,235*	*+10·8*
(*h*) Others	318	312	321	309	262*	*—15·2*
II. Latin American Countries						
(*a*) Brazil	195	180	180*	180*	180*	—
(*b*) Chile	192	175	177	131	130*	*— 0·8*
(*c*) Colombia	379	431	422	436	385*	*—11·7*
(*d*) Mexico	408	394	459	459	460*	*+ 0·2*
(*e*) Peru	148	142	135	130	130*	—
III. United States of America	2,289	1,895	1,927	1,990	1,867	*— 6·2*
IV. All Countries † ..	**26,586**	**25,866**	**26,485**	**26,250***	**27,700***	*+ 5·5*
British Commonwealth : *Percentage :*	*70·6*	*71·9*	*72·1*	*71·9*	*74·1*	*+ 3·1*
Union of South Africa : *Percentage :*	*43·9*	*44·5*	*44·6*	*45·5*	*47·8*	*+ 5·1*

† Includes estimated production of the U.S.S.R. * Estimated or provisional figures.
Source : Union Corporation Limited, South Africa.

STATEMENT 8

World Silver Production

(Millions of ounces)

Countries	1950	1951	1952	1953	1954	*Percentage increase (+) or decrease (—) of 1954 over 1953*
Mexico	49·1	43·8	50·4	47·9	47·0	*— 1·9*
United States of America ..	42·3	39·9	39·8	37·7	37·0	*— 1·9*
Canada	23·2	24·2	24·4	28·3	31·0	*+ 9·5*
Peru	13·4	14·9	19·2	19·3	20·0	*+ 3·6*
Bolivia	6·6	7·2	7·1	6·1	6·5	*+ 6·6*
Other South and Central American Countries ..	7·0	6·6	7·1	8·8	7·5	*—14·8*
Total Western Hemisphere	**141·6**	**136·6**	**148·0**	**148·1**	**149·0**	*+ 0·6*
Outside the Western Hemisphere	57·0	62·0	62·2	68·3	65·0	*— 4·8*
Indian Union	0·016	0·015	0·018	0·015	0·161*	*+973·3*
World Production	**198·6**	**198·6**	**210·2**	**216·4**	**214·0**	*— 1·1*

* Includes figures for Rajasthan from March 1954.
Source : Handy and Harman.

STATEMENT 9

Prices* (Spot) of Gold and Silver in London and New York

(Per fine ounce)

	Gold†			Silver					
	London			London			New York		
	Highest	Lowest	Average**	Highest	Lowest	Average**	Highest	Lowest	Average**
	£ sh. d.	£ sh. d.	£ sh. d.	d.	d.	d.	cents	cents	cents
1950	12 8 0	12 8 0	12 8 0	70	63	64 25/32	80·00	71·75	74·17
1951	12 8 0	12 8 0	12 8 0	78 1/2	70	77 27/32	90·16	80·00	89·37
1952	12 8 0	12 8 0	12 8 0	77	72 1/2	74 11/32	88·00	82·75	84·94
1953	12 8 0	12 8 0	12 8 0	74	72 7/8	73 15/16	85·25	83·25	85·19
1954	12 11 7 1/2	12 8 0	12 9 4 17/32	74 3/8	72	73 15/32	85·25	85·25	85·25
January 1954	12 8 0	12 8 0	12 8 0	73 3/4	73 3/4	73 3/4	85·25	85·25	85·25
February ,,	12 8 0	12 8 0	12 8 0	73 3/4	73 3/4	73 3/4	85·25	85·25	85·25
March 1-19	12 8 0	12 8 0	12 8 0	73 3/4	73 5/8	73 23/32	85·25	85·25	85·25
March 22-31	12 8 6	12 8 3 1/2	12 8 4 11/16						
April ,,	12 9 1	12 8 3 1/2	12 8 8 11/16	73 5/8	73 1/8	73 9/16	85·25	85·25	85·25
May ,,	12 9 1	12 8 9	12 8 10 27/32	73 3/8	72 1/4	72 3/4	85·25	85·25	85·25
June ,,	12 9 0	12 8 9 1/2	12 8 10 9/16	73 1/8	72 3/4	72 15/16	85·25	85·25	85·25
July ,,	12 9 1 1/2	12 8 11	12 8 11 27/32	73 1/8	72	72 15/32	85·25	85·25	85·25
August ,,	12 10 0	12 8 10	12 9 2 5/32	73 3/4	72 1/4	72 15/16	85·25	85·25	85·25
September ,,	12 11 5 1/2	12 9 10	12 10 5 3/8	73 3/4	73	73 1/4	85·25	85·25	85·25
October ,,	12 11 3	12 10 5	12 10 9 3/4	74 3/8	73 1/2	74 3/32	85·25	85·25	85·25
November ,,	12 11 5 1/2	12 10 6	12 10 10 5/8	74 3/8	74 1/4	74 5/16	85·25	85·25	85·25
December ,,	12 11 7 1/2	12 11 1/2	12 11 4 5/8	74 1/4	74 1/4	74 1/4	85·25	85·25	85·25

The United States Treasury's price of gold : $ 35 per fine ounce from February 1, 1934.

* Closing prices. † Represents the United Kingdom Treasury's buying price of gold upto March 19, 1954 and thereafter market price. ** Average of working days.

Sources : Samuel Montagu & Co. Ltd. and Handy & Harman.

STATEMENT 10

Selected Economic Indicators (Quarterly)—Indian Union

Items	Unit/Base	1952-53 I	1952-53 II	1952-53 III	1952-53 IV	1953-54 I	1953-54 II	1953-54 III	1953-54 IV	1954-55 I	1954-55 II	1954-55 III	1954-55 IV
I. Production and Prices (Average of months)													
A.—*Index of Industrial Production*													
1. All Industries ..	1946=100	126·7	128·2	133·6	132·7	135·5	134·8	137·5	137·6	143·3	149·8	155·8	..
B.—Labour													
2. Number of Man-days lost through Industrial Disputes ..	(000's)	746	780	778	589	747	824	1,223	1,001	628	964	779	..
C.—*Price Indices*													
3. Wholesale Prices ..	Year ended August 1939 =100	373·2	386·7	381·2	381·4	395·9	407·3	391·2	395·8	393·4	382·7	375·2	359·7
4. Cost of Living (All-India) ..	1949=100	101	104	103	103	106	111	106	102	102	101	99	95
5. Index Numbers of Security Prices (All-India) ..													
(*i*) Government and Semi-Government Securities ..	1949-50=100	90·1	89·6	90·0	90·6	90·5	90·3	90·2	90·3	90·4	90·8	90·3	90·6
(*ii*) Preference Shares	,,	87·9	87·4	87·0	86·7	86·8	87·4	87·3	87·9	88·3	89·0	88·3	88·0
(*iii*) Variable Dividend Industrial Securities ..	,,	96·3	94·8	93·1	92·1	93·8	92·5	95·7	100·9	104·9	116·3	116·0	114·8
6. Bullion Prices (Bombay : Spot)													
(*i*) Gold ..	(Rs. per tola)	90 7	90 8	83 8	87 15	88 6	87 6	82 1	86 8	89 15	86 13	87 15	92 4
(*ii*) Silver ..	(Rs. per 100 tolas)	161 5	161 8	153 12	162 9	161 7	156 1	153 1	161 9	163 1	154 10	156 14	162 12

Items	Unit/Base	1952-53 I	1952-53 II	1952-53 III	1952-53 IV	1953-54 I	1953-54 II	1953-54 III	1953-54 IV	1954-55 I	1954-55 II	1954-55 III	1954-55 IV
II. Money and Banking (Quarter-end)													
7. Currency with the public	(Crores of Rs.)	1,199·1	1,149·6	1,155·7	1,199·3	1,188·0	1,115·4	1,166·4	1,229·4	1,208·2	1,173·5	1,224·6	1,311·8
8. Deposit money with the public	,,	589·4	572·8	560·5	585·3	574·4	571·4	561·9	627·1	598·2	600·5	624·3	669·1
9. Money supply with the public (7+8) ..	,,	1,788·4	1,722·3	1,716·2	1,784·6	1,762·4	1,686·8	1,728·2	1,856·6	1,806·4	1,774·0	1,848·9	1,980·9
10. Foreign Assets of R.B.I.	,,	683·3	689·7	705·5	723·7	713·2	699·0	722·6	753·0	743·6	730·5	730·8	730·0
11. Central Government Deposits with R.B.I.	,,	117·9	142·5	174·8	135·8	130·4	136·8	110·2	65·8	116·5	141·2	54·9	59·5
12. 'Other loans and advances' by R.B.I. ..	,,	23·5	8·7	12·9	26·9	22·3	11·5	11·8	41·1	29·6	18·6	21·3	47·9
13. Scheduled Banks													
(*i*) Demand liabilities (a)	,,	558·7	543·3	530·5	534·1	530·3	524·9	516·3	528·9	546·8	557·6	573·0	574·3
(*ii*) Time liabilities(*a*)	,,	300·6	318·8	317·1	311·8	327·6	330·2	331·9	327·6	334·4	352·2	368·9	376·9
(*iii*) Cash and balances with R.B.I.	,,	86·0	94·9	78·5	75·2	74·7	81·1	76·7	72·9	74·9	92·6	103·7	77·8
(*iv*) Advances and Inland bills purchased and discounted (*b*)	,,	540·2	487·9	485·0	541·2	527·0	477·8	473·8	547·6	565·8	539·5	554·3	634·2
14. Cheque Clearances (Total)	,,	1,674·7	1,633·7	1,571·1	1,690·8	1,664·0	1,583·1	1,665·3	1,801·3	1,703·1	1,706·9	1,852·2	1,987·2
15. Call rate among larger banks in Bombay ..	(per cent per annum)	1¼	1½–2	2¾–3	2¾–3	2½	1¼–1½	2¾–3	2¾–3	2¾	2–2¼	3	2¾–3
III. Public Finance													
16. Tax Revenue* (*c*) ..	(Crores of Rs.)	92·9	197·6	301·7	442·0	88·8	180·5	271·2	418·1	80·8	175·4	278·1	448·7
17. Total Revenue* Receipts (net)	,,	96·8	214·9	328·4	397·5	92·2	203·1	299·1	379·9	85·0	202·4	311·7	414·0
18. Total Revenue* Expenditure (net) ..	,,	70·3	148·5	201·1	358·5	69·3	149·7	232·2	371·4	76·6	158·8	257·2	419·0
19. Rupee Debt of Government of India (Quarter-end):-	,,												
(*i*) Rupee Loans ..	,,	1,403·5	1,403·5	1,403·6	1,403·6	1,413·4	1,364·3	1,364·3	1,364·3	1,444·5	1,511·8	1,474·2	1,474·4†
(*ii*) Treasury bills outstanding ..	,,	304·9	313·2	334·7	315·3	331·5	341·4	345·6	335·0	361·3	347·2	350·4	471·9
IV. Trade													
20. Total Imports ..	,,	224·1	167·6	138·2	130·5	165·1	149·7	125·0	132·1	147·1	150·5	168·1	167·2
21. Total Exports ..	,,	148·0	157·1	140·1	132·4	119·6	130·4	148·7	131·9	113·4	143·3	174·0	152·3
22. Net Balance of Trade	,,	−76·1	−10·5	+ 1·9	+ 1·9	−45·5	−19·3	+23·7	− 0·2	−33·7	− 7·2	+ 5·9	−14·9
23. Total Number of Wagons loaded ..	(000 Nos.)	2,827	2,718	2,850	3,003	2,726	2,629	2,801	3,030	2,794	2,784	2,991	3,199

(*a*) Including borrowings from banks, other than the Reserve Bank and the Imperial Bank of India. (*b*) Including money at call and short notice; figures for 1954-55 include foreign bills purchased and discounted in India. (*c*) Relates to customs, Union excise duties, corporation tax and income-tax.
*April to quarter-end ; figures relate to the Union Government. † Provisional.

STATEMENT II

Employment Exchange Statistics

(In Thousands)

Period		Number of registrations during the period	Number of applicants placed in employment during the period	Number of applicants on the live registers at the end of period	Number of vacancies notified during the period	Number of vacancies outstanding at the end of period
1950	.. ..	1,210·4	331·2	330·7	419·3	28·2
1951	.. ..	1,375·4	416·9	328·7	486·5	21·8
1952	.. ..	1,476·7	357·8	437·6	429·6	22·9
1953	.. ..	1,408·8	185·4	522·4	256·7	20·9
1954	.. ..	1,465·6	162·6	609·8	240·0	29·3
January	1954	116·3	13·6	534·3	19·3	21·4
February	,, ..	105·2	12·7	539·3	18·6	21·9
March	,, ..	106·6	13·8	525·8	19·0	21·9
April	,, ..	111·3	13·0	526·3	18·7	21·9
May	,, ..	112·1	14·4	532·9	22·6	24·5
June	,, ..	143·4	14·7	548·4	20·4	24·5
uly	,, ..	159·6	15·3	588·8	20·6	22·8
August	,, ..	127·7	12·1	599·4	17·9	23·0
September	,, ..	122·3	14·4	590·5	20·5	23·3
October	,, ..	94·4	10·5	569·1	18·2	26·2
November	,, ..	131·6	13·9	583·2	23·1	29·2
December	,, ..	135·0	14·2	609·8	21·1	29·3
January	1955..	116·9	12·5	613·9	22·4	29·0
February	,, ..	109·5	12·3	605·9	20·1	29·6
March	,, ..	119·9	13·8	595·8	22·7	31·0

STATEMENT 12

Industrial Disputes and Absenteeism

	Industrial Disputes*									Absenteeism		
	Number of									Percentage of man-shifts lost to man-shifts scheduled to work		
	All Industries			Man-days Lost (000's)								
	Disputes	Workers Involved** (000's)	Man-days Lost (000's)	Cotton	Jute	Iron and Steel	Chemicals and Dyes	Paper and Printing	Coal	Iron and Steel	Cement	Match
	1	2	3	4	5	6	7	8	9	10	11	12
1950 ..	**814**	**720**	**12,807**	10,321	434	7	60	10	568	*12·4*	*10·6*	*11·0*
1951 ..	**1,071**	**691**	**3,819**	1,412	102	54	60	26	298	*11·0*	*11·8*	*10·5*
1952 ..	**963**	**809**	**3,337**	1,081	151	27	84	103	271	*10·9*	*11·5*	*10·6*
1953 ..	**772**	**467**	**3,383**	575	351	450	11	311	252	*10·9*	*11·9*	*10·1*
1954 ..	**840**	**477**	**3,373**	431	347	13	176	637	224			
January 1954	**84**	**52**	**326**	32	4	—	—	151	1	*10·4*	*9·1*	*8·9*
February ,,	**85**	**41**	**344**	27	15	1	—	139	51	*10·6*	*10·0*	*10·7*
March ,,	**91**	**34**	**331**	5	—	1	2	121	80	*13·0*	*13·7*	*11·8*
April ,,	**101**	**35**	**207**	3	89	1	1	3	34	*11·9*	*13·3*	*12·5*
May ,,	**80**	**40**	**216**	22	25	1	9	—	27	*16·9*	*16·0*	*13·6*
June ,,	**82**	**22**	**205**	30	1	2	57	—	7	*16·4*	*10·9*	*10·6*
July ,,	**122**	**30**	**277**	12	18	1	42	76	—	*12·1*	*11·5*	*10·9*
August ,,	**79**	**51**	**323**	8	58	2	39	81	—	*11·3*	*12·2*	*9·9*
September ,,	**97**	**50**	**364**	10	110	2	26	64	1	*9·8*	*11·9*	*9·8*
October ,,	**88**	**42**	**276**	120	—	1	—	2	1	*13·5*	*10·5*	*8·7*
November ,,	**62**	**25**	**240**	86	—	—	—	—	12	*10·5*	*10·9*	*8·3*
December	**101**	**54**	**263**	76	27	—	—	—	11	*9·8*	*12·4*	*9·2*

* Covers disputes involving ten or more persons and resulting in stoppage of work. ** Relates to disputes in progress during part or whole of the period.

Source: Indian Labour Gazette

STATEMENT 13

INDEX NUMBERS OF AGRICULTURAL PRODUCTION IN INDIA

(Agricultural Year 1949-50=100)

Commodities / Groups	Weight	1950-51	1951-52	1952-53	1953-54
Rice	35·3	87·9	90·1	96·8	116·2
Wheat	8·5	101·1	93·9	112·7	119·0
Jowar	5·0	89·8	96·4	106·6	113·1
Bajra	2·7	83·8	75·8	94·8	128·1
Maize	2·1	84·4	101·3	123·3	124·2
Total Cereals	**58·3**	**90·3**	**91·2**	**101·4**	**116·8**
Gram	3·7	98·0	88·2	109·2	120·3
Total Pulses	**8·6**	**91·7**	**90·3**	**98·8**	**109·3**
Total Foodgrains ..	**66·9**	**90·5**	**91·1**	**101·1**	**115·8**
Groundnut	5·7	101·4	93·0	85·3	111·6
Total Oilseeds	**9·9**	**98·5**	**97·4**	**91·9**	**108·8**
Cotton	2·8	110·7	119·2	121·0	149·7
Jute	1·4	106·3	151·4	148·6	101·2
Mesta	0·3	100·0	104·8	103·3	108·5
Total Fibres	**4·5**	**106·6**	**128·3**	**128·4**	**131·9**
Tea	3·3	103·8	109·6	115·4	115·4§
Coffee	0·2	112·3	112·7	125·9*	157·6*
Rubber	0·1	93·8	94·4	106·1	136·5
Total Plantation Crops	**3·6**	**104·0**	**109·4**	**115·7**	**118·3**
Sugarcane	8·7	113·7	122·8	101·6	93·4
Tobacco	1·9	97·3	78·0	91·3	97·0
Total Miscellaneous ..	**15·1**	**110·3**	**114·0**	**101·5**	**98·9**
Total Non-foodgrains ..	**33·1**	**105·9**	**110·5**	**103·8**	**108·5**
All Commodities	**100·0**	**95·6**	**97·5**	**102·0**	**113·4**

§ Provisional. * Based on Indian Coffee Board figures; subject to revision.

Source : Ministry of Food and Agriculture, Government of India.

STATEMENT 14

Production of Foodgrains

(Reporting and Non-Reporting Areas)

(Thousands of Tons)

Commodities	1950-51	1951-52	1952-53	1953-54*
Cereals				
1. Rice	20,251	20,964	22,537	27,079
2. Wheat	6,360	6,085	7,382	7,792
3. Jowar	5,408	5,981	7,243	7,691
4. Bajra	2,554	2,309	3,142	4,246
5. Maize	1,702	2,043	2,825	2,854
6. Ragi	1,407	1,291	1,316	1,564
7. Barley	2,340	2,330	2,882	2,721
8. Small Millets	1,722	1,885	1,895	2,183
Total Cereals	**41,744**	**42,888**	**49,222**	**56,130**
Pulses				
9. Gram	3,593	3,334	4,142	4,551
10. Other Pulses	4,685	4,953	4,902	5,348
Total Pulses	**8,278**	**8,287**	**9,044**	**9,899**
Grand Total (Cereals and Pulses)	**50,022**	**51,175**	**58,266**	**66,029**

Note.—Figures relate to the agricultural year ending June. * Final estimates ; subject to revision.

Source : (1) Area and Production of Crops in India—Prewar Average to 1952-53 (Summary Tables) and (2) Agricultural Situation in India, February 1955.

STATEMENT 15

Production of Industrial Raw Materials and Other Agricultural Commodities

(000s omitted)

Commodities	Unit	1950-51	1951-52	1952-53	1953-54*
1. Sugar (Raw)	(tons)	5,615	6,066	5,019	4,614
2. Oilseeds	(,,)	5,078	4,949	4,659	5,591
(a) Sesamum	(,,)	438	445	464	531
(b) Groundnut (Nuts in shell)	(,,)	3,426	3,142	2,883	3,772
(c) Rape & Mustard	(,,)	750	928	844	826
(d) Linseed	(,,)	361	328	366	355
(e) Castorseed	(,,)	103	106	102	107
3. Cotton (Lint)	(bales of 392 lbs. each)	2,910	3,133	3,194	3,935
4. Jute	(bales of 400 lbs. each)	3,283	4,678	4,592	3,129†
5. Tobacco	(tons)	257	206	241	256
6. Silk (Raw)	(lbs.)	2,886	2,712	2,558	2,462
7. Tea	(,,)	6,07,318	6,41,079†	6,75,270	..
8. Coffee	(tons)	24	24	..	..
9. Rubber	(,,)	16	17	20	21
10. Lac	(mds.)	1,072	1,297	1,153	654
11. Mica	(cwts.)	162	200	152	..
12. Iron ore	(tons)	2,965	3,657	3,926	3,855
13. Manganese ore	(,,)	883	1,292	1,462	1,902

Note.—Figures relate to production in reporting areas only ; estimates of production in non-reporting areas in respect of crops other than foodgrains are not available and are also not likely to be significant. Items 1 to 5 and 8 refer to the agricultural year. Items 6,7,9 and 11 to 13 refer to the calendar year, *i.e.*, figures for 1950-51 relate to 1950 and so on. Item 10 relates to the financial year. * Final estimates ; subject to revision. † Revised.

Sources : Items 1 to 5, 7 and 8 : As for Statement 14 Items 6 and 9 : figures supplied by the Ministry of Commerce and Industry. Item 10 : figures supplied by the Indian Lac Cess Committee. Items 11 to 13 : figures supplied by the Ministry of Natural Resources and Scientific Research.

STATEMENT 16

Industrial Production

Industry	Indices (Average of months) (*Base:* 1946=100) 1950	1951	1952	1953	1954	Actual Production Unit	1953	1954	Plan Targets for 1955-56
1. Cotton Cloth	93·8	104·3	117·7	124·8	127·9	Million Yds.	4,878	4,998	**4,700**
2. Cotton Yarn	85·9	95·4	106·0	110·1	114·2	Million Lbs.	1,506	1,562	**1,640**
3. Jute Manufactures (*a*)	76·8	80·4	87·4	79·8	85·2	'000 Tons	868·8	927·7	**1,200**
4. Woollen Manufactures	66·9	65·5	61·4	71·3	69·5	Lakh Lbs.	192·5	187·6	**250**(*h*)
5. Coal Raisings	110·8	118·8	125·4	124·1	127·3	Lakh Tons	358·4	367·7	..
6. Steel (*b*)	111·2	116·0	122·0	116·5	130·2	'000 Tons	1,655 (*c*) 1,024 (*d*)	1,793 (*c*) 1,243 (*d*)	**2,835**(*c*) **1,650**(*d*)
7. Cement	169·5	207·2	229·3	245·1	285·1	" "	3,780	4,398	**4,800**
8. Sugar (*e*)	105·8	120·8	161·9	139·9	109·2	" "	1,291	1,008	**1,500**
9. Non-Ferrous Metals (*f*)	106·9	114·4	100·9	90·5	125·9	Tons	8,678	12,057	..
10. Dry Cells	157·1	162·6	148·0	168·7	169·0	In Lakhs	1,484	1,487	**3,200**
11. Machine Tools ..	29·2	51·8	48·6	48·3	54·8	Value Rs. '000	4,408	5,003	..
12. Electric Motors ..	178·2	311·1	343·4	354·0	406·5	'000 H. P.	162	187	**320**
13. Refractories	150·7	151·7	155·6	145·6	148·7	'000 Tons	228	233	..
14. Electric Fans	175·4	192·5	177·1	180·9	214·5	000's	199	236	**320-350**
15. Hurricane Lanterns ..	597·2	846·1	749·6	917·5	1,026·1	" "	4,313	4,987	**6,000**
16. Storage Batteries ..	690·4	784·5	584·1	649·4	695·2	" "	176	188	**400**
17. Power Transformers ..	440·8	500·3	550·8	790·5	1,021·0	000's KVA	308	398	**450**
18. Diesel Engines	971·7	1,531·9	897·9	785·6	1,829·6	Number	3,720	8,652	**50,000**
19. Sulphuric Acid.. ..	170·8	178·2	160·1	181·8	248·0	'000 Tons	119	149	**200**
20. Ammonium Sulphate ..	210·6	234·7	980·9	1,423·1	1,514·9	" "	320	340	**450**
21. Soda Ash	364·9	396·1	369·4	473·9	402·4	" "	57	48	**78**
22. Paper and Paper Boards	102·7	124·4	129·7	131·8	146·5	" "	140	155	**200**
23. Matches	127·0	140·3	150·1	150·0	131·1	'000 Cases(*g*)	618	540	**706**
24. Paints and Varnishes ..	72·8	87·2	83·8	83·5	92·4	'000 Tons	32	35	**63**
25. Plywood	85·4	120·5	154·0	104·1	131·4	'000 Sq. ft.	61,200	77,268	**100,000**
26. **General Index** ..	**105·0**	**117·2**	**128·9**	**135·3**	**146·4**				

(*a*) Figures from January 1949 refer to the production by mills in the membership of Indian Jute Mills Association and also to one non-member mill.
(*b*) Ingots and castings.
(*c*) Figures are in respect of pig iron (Main producers only).
(*d*) Figures are in respect of finished steel (Main producers only).
(*e*) Figures relate to the crop year November to October and are for cane sugar only.
(*f*) Aluminium and copper (virgin metal).
(*g*) 50 gross boxes of 60 sticks each.
(*h*) Figures do not take into account the installation of 30,000 spindles for fine woollen yarn.

Sources : (1) Monthly Statistics of the Production of Selected Industries of India, issued by the Ministry of Commerce and Industry, (2) Programmes of Industrial Development, 1951-56 and (3) Five-Year Plan Progress Report for April-September 1954.

STATEMENT 17

Index Numbers of Wholesale Prices (Annual and Monthly)

General Purpose Series

(*Base :* Year ended August 1939=100)

Average of weeks		Food Articles	Industrial Raw Materials	Semi-Manufactures	Manufactured Articles	Miscellaneous	General Index
1950-51	.. .. ..	416·4	523·1	348·9	354·2	707·4	**409·7**
1951-52	.. .. ..	398·6	591·9	374·4	401·5	721·6	**434·6**
1952-53	.. .. ..	357·8	436·9	343·8	371·2	614·1	**380·6**
1953-54	.. .. ..	384·4	467·7	359·2	367·4	686·6	**397·5**
1954-55	.. .. ..	339·8	436·2	350·3	377·3	612·4	**377·4**
April	1953	366·4	448·9	351·8	365·8	601·7	**384·9**
May	,, ...	382·0	477·4	360·0	369·5	619·8	**397·4**
June	,, ...	398·7	481·0	363·4	370·1	674·5	**405·4**
July	,, ...	406·4	480·5	365·4	367·3	693·9	**407·7**
August	,, ...	407·0	488·7	364·7	370·8	706·0	**410·4**
September	,, ...	399·0	475·3	363·8	364·4	717·4	**403·8**
October	,, ...	385·6	447·7	353·4	364·5	721·9	**393·6**
November	,, ...	378·0	441·4	355·5	365·6	715·2	**390·6**
December	,, ...	367·0	459·3	356·5	363·8	711·5	**389·4**
January	1954	381·5	481·1	361·5	364·3	709·8	**398·5**
February	,, ...	373·3	471·3	360·1	368·3	693·9	**395·0**
March	,, ...	371·4	462·5	355·8	373·9	686·9	**394·0**
April	,, ...	381·6	472·1	362·4	380·9	707·4	**402·6**
May	,, ...	366·2	464·6	362·6	381·1	689·5	**396·1**
June	,, ...	343·2	441·0	355·6	378·7	647·3	**381·6**
July	,, ...	353·9	423·2	354·2	376·6	636·0	**381·3**
August	,, ...	362·4	420·8	351·9	375·8	608·9	**382·3**
September	,, ...	363·6	426·0	353·3	377·7	607·8	**384·4**
October	,, ...	355·9	428·8	351·8	376·5	605·7	**381·6**
November	,, ...	334·2	443·8	348·8	377·0	605·4	**376·1**
December	,, ...	318·0	436·3	347·4	375·1	579·7	**367·8**
January	1955	310·3	432·9	344·5	375·5	568·8	**363·9**
February	,, ...	304·3	436·1	339·7	376·9	558·6	**361·4**
March	,, ...	297·0	412·7	333·5	376·3	553·3	**353·8**

Source : Office of the Economic Adviser to the Government of India.

INDEX NUMBERS OF WHOLESALE

(*Base* : Year ended

Week ended (*a*)		Food Articles				Industrial Raw Materials				
		Cereals	Pulses	Others (*b*)	**Group Index**	Fibres	Oil-seeds	Mine-rals	Others (*c*)	**Group Index**
		1	2	3	4	5	6	7	8	9
1	April 3, 1954	429	378	307	**380·5**	451	518	434	400	**464·0**
2	10, ,, ...	432	381	324	**389·0**	461	523	454	390	**472·2**
3	17, ,, ...	423	386	316	**381·6**	464	527	469	399	**477·3**
4	24, ,, ...	421	380	306	**375·5**	461	530	448	400	**474·7**
5	May 1, ,, ...	417	373	305	**372·7**	465	523	431	404	**473·5**
6	8, ,, ...	413	369	305	**370·5**	454	527	440	410	**469·7**
7	15, ,, ...	414	364	305	**370·3**	450	518	424	393	**462·2**
8	22, ,, ...	404	341	299	**360·8**	451	508	450	392	**462·6**
9	29, ,, ...	403	332	293	**357·2**	441	499	454	393	**455·4**
10	June 5, ,, ...	385	305	301	**348·1**	440	485	458	395	**451·3**
11	12, ,, ...	382	306	297	**345·4**	432	470	450	402	**442·6**
12	19, ,, ...	379	299	291	**341·3**	424	470	458	401	**439·0**
13	26, ,, ...	377	287	290	**338·0**	410	478	432	402	**431·0**
14	July 3, ,, ...	377	301	317	**349·7**	411	481	417	401	**430·5**
15	10, ,, ...	385	293	304	**348·1**	399	474	433	402	**423·9**
16	17, ,, ...	399	293	305	**356·5**	388	480	431	404	**419·2**
17	24, ,, ...	401	290	308	**357·8**	407	470	423	403	**426·1**
18	31, ,, ...	401	289	307	**357·6**	395	459	408	420	**416·3**
19	Aguust 7, ,, ...	406	288	310	**361·3**	403	447	409	404	**416·5**
20	14, ,, ...	406	286	312	**361·4**	406	448	423	403	**419·8**
21	21, ,, ...	406	288	310	**361·4**	413	438	423	405	**420·7**
22	28, ,, ...	405	306	317	**365·1**	430	430	411	403	**426·5**
23	September 4, ,, ...	404	300	318	**364·6**	436	431	404	404	**428·6**
24	11, ,, ...	406	299	320	**366·3**	419	430	413	411	**421·0**
25	18, ,, ...	398	295	320	**361·1**	427	435	409	411	**426·1**
26	25, ,, ...	401	291	319	**362·3**	432	436	395	410	**428·2**
27	October 2, ,, ...	387	289	319	**354·7**	434	414	394	409	**422·2**
28	9, ,, ...	387	288	323	**356·3**	443	416	423	409	**430·4**
29	16, ,, ...	395	292	326	**361·9**	445	414	421	407	**430·3**
30	23, ,, ...	391	284	317	**355·8**	462	406	393	423	**434·3**
31	30, ,, ...	388	278	311	**351·3**	447	402	405	423	**427·3**
32	November 6, ,, ...	385	271	307	**347·2**	471	396	418	427	**438·5**
33	13, ,, ...	384	270	282	**336·8**	492	398	418	429	**449·4**
34	20, ,, ...	375	257	278	**329·8**	478	403	415	436	**445·1**
35	27, ,, ...	369	250	272	**323·4**	480	400	390	441	**442·3**
36	December 4, ,, ...	364	247	262	**316·9**	475	395	422	441	**442·0**
37	11, ,, ...	364	234	270	**318·4**	468	393	429	440	**438·4**
38	18, ,, ...	365	230	267	**317·4**	463	390	403	444	**432·6**
39	25, ,, ...	364	231	272	**319·3**	464	385	412	444	**432·4**
40	January 1, 1955	365	236	269	**318·4**	460	386	402	473	**431·3**
41	8, ,, ...	347	233	277	**312·0**	467	383	435	475	**437·4**
42	15, ,, ...	353	240	271	**313·6**	470	375	451	473	**437·4**
43	22, ,, ...	342	241	265	**305·6**	474	361	411	481	**430·9**
44	29, ,, ...	336	246	264	**302·5**	473	360	389	481	**427·8**
45	February 5, ,, ...	340	244	262	**303·4**	473	356	411	482	**428·5**
46	12, ,, ...	346	242	267	**308·5**	497	367	411	484	**444·1**
47	19, ,, ...	343	236	264	**304·9**	492	359	411	482	**438·8**
48	26, ,, ...	344	232	252	**300·5**	479	358	416	482	**433·0**
49	March 5, ,, ...	344	230	254	**301·1**	475	350	393	482	**425·9**
50	12, ,, ...	339	231	250	**297·3**	459	342	424	483	**418·7**
51	19, ,, ...	340	229	248	**296·5**	446	326	431	481	**406·3**
52	26, ,, ...	336	227	245	**293·0**	429	334	423	475	**400·1**

(*a*) The index is calculated from one-day-a-week prices on or about Friday of each week. (*b*) Comprising tea, coffee, sugar, gur and salt. (*c*) Comprising hides raw, skins raw, lac and rubber.

MENT 18

Prices (Groups and Sub-Groups), 1954-55

August 1939=100)

Semi Manufactures								Manufactured Articles				Miscellaneous (*f*)	All commodities	
Leather	Mineral oils	Vegetable oils	Cotton yarn	Metals	Oil-cakes	Others (*d*)	**Group Index**	Textiles	Metal products	Others (*e*)	**Group Index**			
10	11	12	13	14	15	16	17	18	19	20	21	22	23	
380	221	490	453	240	417	306	**358·7**	423	340	289	**378·7**	**703·9**	**399·6**	*1*
380	221	494	456	240	418	306	**359·9**	426	340	289	**380·6**	**706·3**	**404·4**	*2*
376	221	524	459	240	443	305	**365·1**	428	340	289	**381·5**	**713·2**	**404·2**	*3*
375	221	520	465	240	443	306	**366·3**	430	340	288	**382·7**	**706·2**	**402·4**	*4*
375	221	514	462	240	447	305	**365·0**	431	340	289	**383·6**	**695·3**	**401·0**	*5*
373	221	510	462	240	444	304	**364·0**	429	340	289	**382·6**	**691·0**	**399·1**	*6*
374	221	498	462	240	436	304	**362·4**	425	340	289	**380·0**	**690·4**	**396·9**	*7*
374	221	492	463	240	441	304	**362·1**	424	340	289	**379·4**	**687·1**	**393·2**	*8*
373	221	469	463	240	456	303	**359·7**	424	340	290	**379·6**	**683·2**	**390·4**	*9*
370	221	456	461	240	438	303	**356·9**	422	340	290	**378·4**	**645·5**	**385·0**	*10*
370	221	443	461	240	432	302	**354·9**	422	340	290	**378·8**	**646·3**	**382·4**	*11*
360	221	449	461	239	417	302	**354·0**	422	340	290	**378·8**	**649·7**	**380·5**	*12*
369	221	451	467	239	418	302	**356·7**	422	340	290	**378·7**	**647·4**	**378·4**	*13*
369	221	456	458	239	420	301	**354·8**	421	340	287	**377·5**	**645·5**	**381·6**	*14*
369	221	454	458	239	423	301	**354·8**	421	340	287	**377·6**	**645·9**	**380·0**	*15*
368	221	462	457	239	421	300	**355·0**	419	340	287	**376·5**	**636·8**	**381·6**	*16*
368	221	450	457	239	418	300	**353·4**	420	340	286	**376·5**	**632·2**	**382·7**	*17*
373	221	442	458	239	409	300	**352·8**	417	340	286	**375·1**	**620·3**	**380·3**	*18*
373	221	439	457	238	412	300	**352·0**	419	340	286	**376·0**	**611·0**	**381·5**	*19*
373	221	438	456	237	404	300	**351·0**	416	340	286	**374·4**	**608·7**	**381·4**	*20*
371	221	441	457	237	412	301	**351·8**	417	340	286	**375·2**	**605·6**	**381·7**	*21*
372	221	443	458	238	415	302	**352·8**	421	340	286	**377·2**	**610·2**	**384·8**	*22*
372	221	442	457	238	416	304	**352·6**	422	340	286	**377·7**	**616·6**	**385·2**	*23*
372	221	449	455	239	421	305	**353·6**	422	340	286	**377·4**	**603·3**	**384·3**	*24*
383	221	455	455	239	414	304	**354·7**	421	340	286	**377·0**	**604·0**	**383·5**	*25*
358	221	451	453	240	414	305	**352·2**	424	340	285	**378·6**	**607·4**	**384·3**	*26*
358	221	445	457	240	402	305	**352·1**	423	340	285	**377·9**	**607·3**	**380·6**	*27*
358	221	445	456	241	409	306	**352·2**	423	340	285	**377·9**	**606·0**	**382·4**	*28*
358	221	441	458	241	414	305	**352·4**	419	340	285	**375·5**	**604·7**	**383·6**	*29*
362	221	434	455	241	416	306	**351·3**	419	340	285	**375·9**	**606·3**	**382·3**	*30*
367	221	431	454	241	419	306	**351·0**	418	340	285	**375·3**	**604·3**	**379·2**	*31*
367	221	424	453	241	409	306	**349·5**	421	340	285	**376·8**	**613·4**	**380·1**	*32*
370	221	419	455	240	404	306	**349·1**	422	340	285	**377·3**	**610·2**	**378·1**	*33*
376	221	416	452	240	401	306	**348·3**	421	340	285	**376·7**	**606·7**	**374·7**	*34*
376	221	413	455	240	392	306	**348·1**	422	340	285	**377·2**	**592·0**	**371·7**	*35*
379	221	416	455	240	381	307	**348·3**	421	340	285	**376·6**	**585·1**	**369·1**	*36*
382	221	412	456	240	383	308	**348·3**	418	340	285	**375·1**	**583·4**	**368·5**	*37*
382	221	410	448	240	373	330	**346·6**	417	340	284	**374·3**	**576·1**	**366·6**	*38*
382	221	406	452	240	356	329	**346·5**	417	340	284	**374·2**	**574·2**	**367·1**	*39*
383	221	410	451	240	325	330	**345·2**	416	340	284	**374·0**	**570·5**	**366·3**	*40*
383	221	402	445	240	301	334	**345·3**	418	340	284	**374·7**	**566·9**	**365·1**	*41*
386	221	412	453	241	301	334	**345·3**	420	340	284	**375·8**	**567·1**	**365·9**	*42*
387	221	411	451	240	301	334	**344·6**	421	340	284	**376·4**	**566·9**	**362·1**	*43*
387	221	402	445	240	301	331	**342·0**	421	340	284	**376·5**	**571·8**	**360·0**	*44*
388	221	397	444	241	291	335	**340·8**	421	340	284	**376·8**	**549·6**	**359·8**	*45*
389	221	398	442	242	285	336	**340·1**	423	340	284	**377·8**	**561·8**	**364·5**	*46*
389	221	395	441	242	307	337	**340·8**	421	340	284	**376·6**	**563·7**	**362·3**	*47*
390	221	375	440	242	297	337	**337·2**	420	340	284	**376·1**	**559·0**	**358·8**	*48*
388	221	365	441	242	292	336	**335·7**	421	340	287	**377·5**	**556·0**	**358·0**	*49*
390	221	357	442	242	285	334	**334·3**	421	340	287	**377·0**	**556·5**	**355·1**	*50*
391	221	347	440	242	282	331	**332·1**	419	340	287	**376·1**	**554·9**	**352·3**	*51*
391	221	348	439	243	277	331	**332·0**	416	340	287	**374·5**	**545·6**	**349·3**	*52*

(*d*) Comprising timber and coir yarn. (*e*) Comprising shoes, tyres and tubes, cement, paper, matches, glass, soap, chemicals, paints, cigarettes, liquors and dyestuffs. (*f*) Comprising vanaspati dalda, spices and condiments, betelnuts, cashewnuts, bricks and tiles and tobacco leaf.

Source : Office of the Economic Adviser to the Government of India.

STATEMENT 18A

Movements in Price Indices of Selected Commodities

(*Base* : Year ended August 1939=100)

Group and Commodity	Post-Korea Peak (April 14, 1951) 1	March 27, 1954 2	April 10, 1954 3	June 26, 1954 4	September 25, 1954 5	March 26, 1955 6	Percentage variations of: 4 over 3 7	5 over 4 8	6 over 5 9	6 over 2 10
I. Food Articles	**414·3**	**378·0**	**389·0**	**338·0**	**362·3**	**293·0**	**−13·1**	**+ 7·2**	**−19·1**	**−22·5**
Cereals	**494**	**432**	**432**	**377**	**401**	**336**	**−12·7**	**− 6·4**	**−16·2**	**−22·2**
Rice	553	486	486	456	487	415	− 6·2	+ 6·8	−14·8	−14·6
Wheat	591	547	580	399	459	435	−31·2	+15·0	− 5·2	−20·5
Jowar	297	223	207	179	169	102	−13·5	− 5·6	−39·6	−54·3
Bajra	245	237	229	220	225	223	− 3·9	+ 2·3	− 0·9	− 5·9
Pulses	**497**	**371**	**381**	**287**	**291**	**227**	**−24·7**	**+ 1·4**	**−22·0**	**−38·8**
Gram	381	313	322	252	255	192	−21·7	+ 1·2	−24·7	−38·7
Others	**289**	**299**	**324**	**290**	**319**	**245**	**−10·5**	**+10·0**	**−23·2**	**−18·1**
Tea	406	585	599	491*	700	577	−18·0	+42·6	−17·6	− 1·4
Gur	305	253	296	271	275	136	− 8·4	+ 1·5	−50·5	−46·2
Sugar	297	302	328	292	305	281	−11·0	+ 4·5	− 7·9	− 7·0
II. Industrial Raw Materials	**699·8**	**461·4**	**472·2**	**431·0**	**428·2**	**400·1**	**− 8·7**	**− 0·6**	**− 6·6**	**−13·3**
Fibres	**782**	**446**	**461**	**410**	**432**	**429**	**−11·1**	**+ 5·4**	**− 5·3**	**− 3·8**
Cotton Raw	491	478	472	430	438	382	− 8·9	+ 1·9	−12·8	−20·1
Jute Raw	1400	388	424	360	402	468	−15·1	+11·7	+16·4	+20·6
Wool Raw	907	630	672	692	660	690	+ 3·0	− 4·6	+ 4·5	+ 9·5
Oilseeds	**718**	**518**	**523**	**478**	**436**	**334**	**− 8·6**	**− 8·8**	**−23·4**	**−35·5**
Groundnuts	831	614	610	549	464	358	−10·0	−15·5	−22·8	−41·7
Linseed	654	368	375	359	347	319	− 4·3	− 3·3	− 8·1	−13·3
Castorseed	856	362	364	353	341	252	− 3·0	− 3·4	−26·1	−30·4
Cotton seed	493	398	404	344	306	242	−14·9	−11·0	−20·9	−39·2
Copra	1040	759	745	736	756	570	− 1·2	+ 2·7	−24·6	−24·9
Minerals	**403**	**430**	**454**	**432**	**395**	**423**	**− 4·8**	**− 8·6**	**+ 7·1**	**− 1·6**
Manganese Ore (Export Prices)	490	638	855	665	572	659	−22·2	−14·0	+15·2	+ 3·3
Mica	582	447	427	427	276	405	—	−35·4	+46·7	− 9·4
Coal	357	357	357	357	357	357	—	—	—	—
Others	**591**	**404**	**390**	**402**	**410**	**475**	**+ 3·1**	**+ 2·0**	**+15·9**	**+17·6**
Hides raw	628	380	350	372	381	486	+ 6·3	+ 2·4	+27·6	+27·9
Lac	973	631	636	887	952	1110	+39·5	+ 7·3	+16·6	+75·9
Rubber	283	313	313	312	313	340	− 0·3	+ 0·3	+ 8·6	+ 8·6

III. Semi-Manufactures	**390·1**	**357·2**	**359·9**	**356·7**	**352·2**	**332·0**	**− 0·9**	**− 1·3**	**− 5·8**	**− 7·1**
Leather	**544**	**387**	**380**	**369**	**358**	**391**	**− 2·9**	**− 3·0**	**+ 9·2**	**+ 1·0**
Minerals Oils	**195**	**221**	**221**	**221**	**221**	**221**	—	—	—	—
Vegetable Oils	**730**	**484**	**494**	**451**	**451**	**348**	**− 8·7**	—	**−22·8**	**−28·1**
Coconut Oil	1063	764	748	708	730	619	− 5·3	+ 3·1	−15·2	−19·0
Groundnut Oil	929	623	640	554	491	402	−13·4	−11·4	−17·7	−35·5
Linseed Oil	727	421	426	373	380	355	−12·4	+ 1·9	− 6·6	−15·7
Cotton Yarn	**495**	**450**	**456**	**467**	**453**	**439**	**+ 2·4**	**− 3·0**	**− 3·1**	**− 2·4**
Oil Cakes	**508**	**417**	**418**	**418**	**414**	**243**	—	**− 1·0**	**−41·3**	**−41·7**
Metals	**191**	**238**	**240**	**239**	**240**	**277**	**− 0·4**	**+ 0·4**	**+15·4**	**+16·4**
Pig Iron	123	186	186	186	186	186	—	—	—	—
Zinc Spelter	1942	483	519	528	551	551	+ 1·7	+ 4·4	—	+14·1
Copper	440	385	399	386	404	506	− 3·3	+ 4·7	+25·2	+31·4
Others	**355**	**306**	**306**	**302**	**305**	**331**	**− 1·3**	**+ 1·0**	**+ 8·5**	**+ 8·2**
IV. Manufactured Articles	**413·1**	**375·8**	**380·6**	**378·7**	**378·6**	**374·5**	**− 0·5**	—	**− 1·1**	**− 0·3**
Textiles	**504**	**419**	**426**	**422**	**424**	**416**	**− 0·9**	**+ 0·5**	**− 1·9**	**− 0·7**
Jute Manufactures	1079	415	432	441	471	450	+ 2·1	+ 6·8	− 4·5	+ 8·4
Cotton Manufactures	410	413	416	419	415	407	+ 0·7	− 1·0	− 1·9	− 1·5
Rayon and Silk Manufactures	677	526	547	457	454	468	−16·5	− 0·7	+ 3·1	−11·0
Woollen Manufactures	329	313	313	310	310	310	− 1·0	—	—	− 1·0
Metal Products	**278**	**337**	**340**	**340**	**340**	**340**	—	—	—	+ 0·9
Others	**301**	**286**	**289**	**290**	**285**	**287**	**+ 0·3**	**− 1·7**	**+ 0·8**	**+ 0·3**
Chemicals	282	297	297	298	300	300	+ 0·3	+ 0·7	—	+ 1·0
Dyestuffs	305	294	293	289	281	277	− 1·4	− 2·8	− 1·4	− 5·8
Tyres and Tubes	344	314	314	314	306	306	—	− 2·5	—	− 2·5
V. Miscellaneous	**789·1**	**690·0**	**706·3**	**647·4**	**607·4**	**545·6**	**− 8·3**	**− 6·2**	**−10·2**	**−20·9**
Vanaspati Dalda	463	375	375	366	346	303	− 2·4	− 5·5	−12·4	−19·2
Black pepper	3439	1381	1397	1041	1241	915	−25·5	+19·2	−26·3	−33·7
Cashewnuts	488	375	360	346	333	537	− 3·9	− 3·8	+61·3	+43·2
Tobacco-leaf	1314	1177**	..	1031	901	698	..	−12·6	−22·5	−40·7
VI. ALL Commodities	**462·0**	**396·8**	**404·4**	**378·4**	**384·3**	**349·3**	**− 6·4**	**+ 1·6**	**− 9·1**	**−12·0**

* June 19, 1954. ** March 20, 1954.

Source : Office of the Economic Adviser to the Government of India.

STATEMENT 19

Index Numbers of Cost of Living (Working Class)

(*Base :* 1949=100)

Year and Month		All-India	Bombay	Calcutta	Delhi	Madras
1950-51	.. .. ..	101	103	101	102	101
1951-52	.. .. ..	104	108	106	108	104
1952-53	.. .. ..	104	112	100	107	103
1953-54	.. .. ..	106	118	99	107	109
1954-55	.. .. ..	99	117	94	103	104
April	1953	104	117	99	104	110
May	,, ...	106	118	99	105	110
June	,, ...	109	121	104	106	111
July	,, ...	111	121	108	108	110
August	,, ...	111	122	107	109	109
September	,, ...	110	121	105	110	109
October	,, ...	108	120	100	109	109
November	,, ...	106	118	97	109	109
December	,, ...	103	117	95	106	108
January	1954	104	118	93	105	109
February	,, ...	102	113	91	105	109
March	,, ...	101	114	92	105	107
April	,, ...	102	116	93	107	106
May	,, ...	102	116	97	108	106
June	,, ...	101	120	95	102	106
July	,, ...	101	119	95	102	105
August	,, ...	101	118	95	102	104
September	,, ...	100	119	95	104	104
October	,, ...	101	118	97	107	105
November	,, ...	98	118	93	105	104
December	,, ...	97	117	92	102	104
January	1955	97	115	93	100	103
February	,, ...	94	112	89	97	101
March	,, ...	94	111	89	96	99

Source: The Indian Labour Gazette.

STATEMENT 20

Seasonal Trends in Selected Items of Scheduled Banks' Liabilities and Assets

(Lakhs of Rupees)

Period	Demand Liabilities§	Time Liabilities§	Total of 1 and 2	Cash	Balances with Reserve Bank	Total of 4 and 5	*Cash ratio* at the end of period*	Advances**	Bills Discounted‡	Total of 8 and 9	*Advances ratio † at the end of period*
	1	2	3	4	5	6	7	8	9	10	11
April 22, 1950 to November 24, 1950 ..	*+ 2,09*	*+ 9,76*	*+ 11,85*	*− 32*	*+ 33,70*	*+33,37*	*13·21*	*− 79,76*	*− 1,05*	*− 80,81*	*45·96*
November 25, 1950 to May 11, 1951 ..	+ 6,71	+15,18	+21,89	+ 94	−31,74	−30,80	*9·48*	+182,19	−1,91	+180,29	*64·79*
May 12, 1951 to October 26, 1951 ..	*− 14,71*	*− 5,03*	*− 19,74*	*+ 1,27*	*+24,58*	*+25,85*	*12·61*	*− 84,69*	*− 1,17*	*−85,86*	*56·53*
October 27, 1951 to March 7, 1952 ..	−28,34	+ 86	−27,49	− 3,71	−29,45	−33,16	*9·15*	+62,36	+37,60	+99,96	*70·01*
March 8, 1952 to November 21, 1952 ..	*−23,22*	*+ 28,79*	*+ 5,58*	*− 80*	*+11,40*	*+10,60*	*10·32*	*−110,50*	*− 21,11*	*−131,61*	*54·29*
November 22, 1952 to May 8, 1953 ..	−19,13	+ 2,83	−16,30	− 70	−17,79	−18,49	*8·33*	+50,30	+35,57	+85,87	*65·49*
May 9, 1953 to November 20, 1953 ..	*+ 3,49*	*+ 11,90*	*+15,39*	*+ 66*	*+21,40*	*+ 22,06*	*10·74*	*− 66,16*	*−23,59*	*− 89,75*	*53·90*
November 21, 1953 to May 7, 1954 ..	+ 67	− 4,47	− 3,80	− 47	−20,09	− 20,56	*8·39*	+74,60	+37,66	+112,26	*67·23*
May 8, 1954 to October 15, 1954 ..	*+30,81*	*+26,30*	*+57,11*	*+ 1,53*	*+24,87*	*+26,40*	*10·76*	*− 39,25*	*− 1,55*	*−61,67††*	*58·57*
October 16, 1954 to March 25, 1955 ..	+15,11	+21,43	+36,54	− 2,23	−18,34	− 20,57	*8·18*	+ 62,49	+36,00	+98,49	*66·67*

Note.—The duration of the slack and busy seasons is with reference to movements in scheduled bank credit only and not to variations in money supply. Slack season periods have been indicated in italics.

§ Excluding borrowings from the Reserve Bank of India and with effect from April 18, 1952 those from the Imperial Bank of India.

* Percentage of Cash and Balances with the Reserve Bank of India to Total Liabilities. **'Advances' exclude 'Inland Bills Purchased' from November 1951, which are included under 'Bills Discounted' as from that month. ‡ Includes Inland Bills purchased from November 1951 and Foreign Bills purchased and discounted from May 14, 1954. † Percentage of Advances and Bills Purchased and Discounted to Total Liabilities. †† Taking into account a rise of Rs. 4·57 crores in foreign bills purchased and discounted between May 14 and October 15, 1954.

Last Friday	CURRENCY WITH THE PUBLIC					
	India and Hali Sicca notes in circulation (*b*)	Circulation of India and Hali Sicca rupee coin (*c*)	Balances of Central and State Governments held at Treasuries (*d*)	Cash on hand of scheduled, non-scheduled (*e*) and co-operative (*f*) banks	**Currency with the public (Including Hali Sicca Currency) (1+2—3—4)**	Variations in currency with the public
	1	2	3	4	5	6
1 1950-51	1,238·60	144·11	4·42	39·10	**1,339·19**	+ 87·91
2 1951-52	1,128·29	131·11	3·70	39·13	**1,216·57**	−114·84(*g*)
3 1952-53	1,119·06	125·21	7·34	37·68	**1,199·25**	− 17·32
4 1953-54	1,150·17	120·72	4·26(*j*)	37·19	**1,229·44**	+ 30·19
5 1954-55	1,236·44	115·01	2·83	36·85	**1,311·77**	+ 82·33
6 April 1953 ..	1,140·16	124·45	8·06	37·69	**1,218·86**	+ 19·61
7 May " ..	1,136·41	123·51	6·77	36·87	**1,216·28**	− 2·58
8 June " ..	1,113·83	120·50	6·58	39·72	**1,188·03**	− 28·25
9 July " ..	1,067·23	119·87	6·33	35·22	**1,145·55**	− 42·48
10 August " ..	1,054·67	117·66	6·72	36·14	**1,129·47**	− 16·08
11 September " ..	1,042·02	116·16	6·77	36·04	**1,115·37**	− 14·10
12 October " ..	1,046·98	114·47	7·11	35·63	**1,118·71**	+ 3·34
13 November " ..	1,064·89	114·69	6·31	37·74	**1,135·53**	+ 16·82
14 December " ..	1,092·68	116·49	6·15	36·65	**1,166·37**	+ 30·84
15 January 1954 ..	1,121·90	118·23	6·70	36·81	**1,196·62**	+ 30·25
16 February " ..	1,136·50	119·04	6·91	36·55	**1,212·08**	+ 15·46
17 March " ..	1,150·17	120·72	4·26(*j*)	37·19	**1,229·44**	+ 17·36
18 April " ..	1,180·79	115·51	6·51	37·74	**1,252·05**	+ 22·61
19 May " ..	1,165·90	116·12	5·88	38·04	**1,238·10**	− 13·95
20 June " ..	1,137·06	115·17	5·89	38·12	**1,208·22**	− 29·88
21 July " ..	1,104·62	111·19	5·68	34·51	**1,175·62**	− 32·60
22 August " ..	1,098·79	109·27	5·19	35·87	**1,167·00**	− 8·62
23 September " ..	1,108·23	109·26	5·60	38·37	**1,173·52**	+ 6·52
24 October " ..	1,122·75	109·40	5·57	41·14	**1,185·44**	+ 11·92
25 November " ..	1,122·40	108·74	5·19	37·50	**1,188·45**	+ 3·01
26 December " ..	1,160·75	111·51	5·19	42·46	**1,224·61**	+ 36·16
27 January 1955 ..	1,177·67	112·37	4·99	39·14	**1,245·91**	+ 21·30
28 February " ..	1,201·65	114·31	5·70	37·91	**1,272·35**	+ 26·44
29 March " ..	1,236·44	115·01	2·83	36·85	**1,311·77**	+ 39·42

Note : Figures have been revised to take into account the circulation of *Hali Sicca* Currency. No adjustments have been made for the net inward or outward movements of currency.

(*a*) Figures are provisional and do not include small coin in circulation. (*b*) Figures are net of the return of about Rs. 43 crores of India notes from Pakistan awaiting adjustment. (*c*) Estimates (for details see footnote to Statement 86 of last year's Report). (*d*) Figures are as on last day of the month/year. Balances of Part 'B' States are available only in respect of two States, *viz.* Mysore and Travancore-Cochin and these have been included from March 1953. (*e*) Figures from 1951-52 include those in respect of non-scheduled banks incorporated in and confining their activities to Part 'B' States.

WITH THE PUBLIC (*a*)

(Crores of Rupees)

DEPOSIT MONEY										
Demand liabilities (excluding inter-bank demand deposits) of scheduled, non-scheduled (*e*) and co-operative banks(*f*)	Deposits with the Reserve Bank									
	Central Government	Banks	Other Governments	Other Deposits (*h*)	Deposits with the Reserve Bank(*h*) excluding those of Central Government and Banks (10+11)	**Deposit money with the public (7+12)**	Variations in deposit money	**Money supply with the public (including Hali Sicca Currency) (5+13)**	**Variations in money supply with the public (6+14)**	
7	8	9	10	11	12	13	14	15	16	
614·29	162·04	59·28	26·40	26·01	52·41	**666·70**	+ 11·70	**2,005·89**	**+ 99·61**	*1*
567·62	180·16	46·99	25·06	19·60	44·66	**612·28**	− 61·42	**1,828·85**	**−176·26**(*g*)	*2*
548·95	135·78	46·52	19·85	16·51	36·36	**585·31**	− 26·97	**1,784·56**	**− 44·29**	*3*
549·83	65·77	42·41	62·59	14·71	77·30	**627·13**	+ 41·82	**1,856·57**	**+ 72·01**	*4*
599·15	59·45	47·72	60·27	9·71	69·98	**669·13**	+ 42·00	**1,980·90**	**+124·33**	*5*
556·70	104·14	43·11	15·59	12·70	28·29	**584·99**	− 0·32	**1,803·85**	**+ 19·29**	*6*
546·58	103·46	42·71	16·88	10·83	27·71	**574·29**	− 10·70	**1,790·57**	**− 13·28**	*7*
546·60	130·43	43·02	16·85	10·90	27·75	**574·35**	+ 0·06	**1,762·38**	**− 28·19**	*8*
543·25	108·29	47·01	36·00	17·57	53·57	**596·82**	+ 22·47	**1,742·37**	**− 20·01**	*9*
542·57	134·18	48·50	24·28	11·52	35·80	**578·37**	− 18·45	**1,707·84**	**− 34·53**	*10*
539·38	136·85	52·46	21·32	10·72	32·04	**571·42**	− 6·95	**1,686·79**	**− 21·05**	*11*
547·13	108·90	60·60	30·53	11·11	41·64	**588·77**	+ 17·35	**1,707·48**	**+ 20·69**	*12*
554·43	98·09	69·82	24·38	10·57	34·95	**589·38**	+ 0·61	**1,724·91**	**+ 17·43**	*13*
532·42	110·24	45·99	18·79	10·64	29·43	**561·85**	− 27·53	**1,728·22**	**+ 3·31**	*14*
540·15	101·60	38·50	23·29	12·73	36·02	**576·17**	+ 14·32	**1,772·79**	**+ 44·57**	*15*
541·66	86·06	41·17	28·66	17·58	46·24	**587·90**	+ 11·73	**1,799·98**	**+ 27·19**	*16*
549·83	65·77	42·41	62·59	14·71	77·30	**627·13**	+ 39·33	**1,856·57**	**+ 56·59**	*17*
558·05	86·77	40·05	28·31	16·02	44·33	**602·38**	− 24·75	**1,854·43**	**− 2·14**	*18*
563·56	101·08	43·79	20·55	17·12	37·67	**601·23**	− 1·15	**1,839·33**	**− 15·10**	*19*
564·99	116·47	45·05	20·31	12·86	33·17	**598·16**	− 3·07	**1,806·38**	**− 32·95**	*20*
568·64	129·89	49·70	20·86	12·51	33·37	**602·01**	+ 3·85	**1,777·63**	**− 28·75**	*21*
577·98	138·09	64·65	17·11	9·82	26·93	**604·91**	+ 2·90	**1,771·91**	**− 5·72**	*22*
576·01	141·20	62·59	14·49	9·97	24·46	**600·47**	− 4·44	**1,773·99**	**+ 2·08**	*23*
579·08	103·46	66·30	22·51	10·24	32·75	**611·83**	+ 11·36	**1,797·27**	**+ 23·28**	*24*
591·39	78·62	79·09	17·79	10·23	28·01	**619·40**	+ 7·57	**1,807·85**	**+ 10·58**	*25*
597·20	54·89	69·13	16·74	10·34	27·08	**624·28**	+ 4·88	**1,848·89**	**+ 41·04**	*26*
601·04	54·03	58·14	20·77	10·01	30·78	**631·82**	+ 7·54	**1,877·73**	**+ 28·84**	*27*
610·04	51·87	48·36	22·68	10·27	32·95	**642·99**	+ 11·17	**1,915·34**	**+ 37·61**	*28*
599·15	59·45	47·72	60·27	9·71	69·98	**669·13**	+ 26·14	**1,980·90**	**+ 65·56**	*29*

(*f*) Figures relate to the reporting co-operative banks only. (*g*) Figures are net of adjustments made in respect of India notes returned from circulation in Aden. (*h*) Excluding balance held on IMF Account No. I. (*j*) Revised.

STATE

VARIATIONS IN MONEY

	1950-51		1951-52		1952-53	
	Slack season	**Busy season**	Slack season	**Busy season**	Slack season	**Busy season**
	May 13, 1950 to Sept. 29, 1950	**Sept. 30, 1950 to May 11, 1951**	May 12, 1951 to Oct. 26, 1951	**Oct. 27, 1951 to April 11, 1952**	April 12, 1952 to Oct. 24, 1952	**Oct. 25, 1952 to May 8, 1953**
	1	2	3	4	5	6
I. Money Supply with the public (*a*)						
1. Currency with the public	−109·7	+220·0	−193·4	+ 53·3	−104·3	+103·1
2. Demand Liabilities (net) of scheduled and reporting non-scheduled and co-operative banks	+ 18·1	− 0·8	− 9·3	− 28·8	− 13·0	− 19·1
3. Other Government deposits with the Reserve Bank	− 2·2	+ 9·9	− 6·9	− 12·1	+ 10·5	− 2·2
4. Other deposits with the Reserve Bank (*b*)	+ 1·0	+ 17·7	− 11·4	—	− 9·4	− 0·2
5. **Total Money Supply with the Public** (1+2+3+4)	− 92·8	+246·8	−221·0	+ 12·4	−116·2	+ 81·6
II. Allied Data (*c*)						
6. Central Government deposits with the Reserve Bank	+ 30·5	− 31·0	+ 58·6	− 46·6	− 7·0	− 39·6
7. Foreign assets held by the Reserve Bank	− 43·4	+ 74·0	− 84·9	− 81·2	− 22·3	+ 26·0
8. Rupee Securities held by the Reserve Bank	+ 1·5	+ 82·6	− 27·5	− 35·4	+ 8·3	− 13·2
9. Other loans and advances by the Reserve Bank	− 6·1	+ 18·4	− 16·2	+ 44·8	− 42·2	+ 24·8
10. Bills purchased and discounted by the Reserve Bank	− 1·3	+ 2·1	+ 3·3	+ 5·7	− 10·4	+ 10·8
11. Loans and advances to Governments by the Reserve Bank	− 4·1	+ 6·1	− 1·9	− 3·8	+ 2·2	+ 0·8
12. Scheduled banks' cash on hand and balances with the Reserve Bank	+ 26·4	− 24·3	+ 25·5	− 32·8	+ 19·1	− 28·2
13. Time liabilities (net) of scheduled banks	+ 1·2	+ 17·9	− 5·2	− 6·6	+ 29·2	+ 8·8
14. Scheduled bank credit (*d*)	− 62·6	+172·7	− 84·5	+ 91·7	−116·6	+ 78·1
15. Scheduled banks' investments in Government securities (*e*)	+ 31·1(*f*)	− 59·3(*f*)	+ 9·6(*f*)	− 18·8(*f*)	+ 19·9	− 13·8
16. Wholesale prices (General Index : percentage variations in weekly indices) ..	+ 5·2	+ 10·5	− 4·6	− 13·9	+ 3·4	+ 1·7
17. Index of industrial production (index for the closing month)	100·3	117·4	111·9	131·7	127·6	140·6

Note :—Figures have been revised to take into account the circulation of *Hali Sicca* Currency. No adjustments have been made for the net inward or outward movements of currency.

(*a*) Figures are provisional. (*b*) Excluding balance held on IMF Account No. I.
(*c*) Figures are gross variations ; no adjustments have been made in respect of extraordinary transactions.
(*d*) Including changes in foreign bills purchased and discounted in India from May 14, 1954.
(*e*) At book value ; includes Treasury bills and Treasury Deposit Receipts.
(*f*) Based on Form XIII submitted by scheduled banks under Section 27(1) of the Banking Companies Act, 1949.

MENT 22

SUPPLY AND ALLIED DATA

(Crores of Rupees)

1953-54		1954-55		1951-52	1952-53	1953-54	1954-55	**Total for the four years 1951-52 to 1954-55**	
Slack season May 9, 1953 to Sept. 25, 1953	**Busy season Sept. 26, 1953 to May 7, 1954**	Slack season May 8, 1954 to Sept. 24, 1954	**Busy season Sept. 25, 19 4 to May 6, 1955**						
7	8	9	10	11	12	13	14	15	
−124·6	**+155·0**	− 96·8	**+192·8**	−114·8	− 17·3	+ 30·2	+ 82·3	**− 19·6**	1
− 3·2	**+ 10·7**	+ 26·0	**+ 29·8**	− 53·7	− 18·7	+ 0·9	+ 49·3	**− 22·2**	2
+ 5·7	**− 0·3**	− 6·6	**+ 8·7**	− 1·3	− 5·2	+ 42·7	− 2·3	**+ 33·9**	3
− 0·4	**+ 5·8**	− 6·6	**+ 0·3**	− 6·4	− 3·1	− 1·8	− 5·0	**− 16·3**	4
−122·5	**+171·2**	− 84·0	**+231·6**	−176·3	− 44·3	+ 72·0	+124·3	**− 24·2**	5
+ 38·3	**− 52·1**	+ 56·4	**− 91·1**	+ 18·1	− 44·4	− 70·0	− 6·3	**−102·6**	6
− 19·9	**+ 54·4**	− 22·9	**− 14·8**	−161·1	+ 0·6	+ 29·3	− 23·0	**−154·2**	7
− 28·4	**− 19·9**	+ 25·3	**+ 62·0**	− 19·1	− 20·8	− 58·5	+ 65·8	**− 32·6**	8
− 22·3	**+ 52·5**	− 45·4	**+ 21·9**	+ 44·6	− 34·4	+ 14·2	+ 6·8	**+ 31·2**	9
− 11·4	**+ 9·3**	− 3·0	**+ 4·0**	− 4·5	+ 5·1	+ 1·9	− 0·4	**+ 2·1**	10
− 4·2	**+ 0·9**	+ 0·1	**− 0·1**	− 0·6	+ 2·4	− 2·8	− 0·1	**− 1·1**	11
+ 10·6	**− 9·1**	+ 20·6	**− 12·2**	− 14·6	− 3·6	− 2·3	+ 4·9	**− 15·6**	12
+ 8·0	**− 0·2**	+ 22·3	**+ 31·8**	− 8·0	+ 27·4	+ 16·2	+ 48·3	**+ 83·9**	13
− 76·2	**+ 98·7**	− 57·9	**+102·2**	+ 45·7	− 51·4	+ 6·4	+ 65·7	**+ 66·4**	14
+ 33·1	**− 10·6**	+ 23·0	**− 1·5**	− 20·1(*f*)	+ 7·2	+ 15·6	+ 25·3	**+ 28·0**	15
+ 0·9	**+ 0·1**	− 3·7	**− 11·3**	− 15·9	+ 1·8	+ 3·1	− 12·0	**− 22·3**	16
137·3	**144·9**	152·4	**157·8**(Feb)	125·5	131·1	138·1	157·8(Feb)		17

Weekly Consolidated Position

	1954-55 As at the close of	No. of Reporting Banks	Demand Liabilities*	Time Liabilities*	Total Liabilities* (2+3)	Inter-bank Borrowings† Demand	Inter-bank Borrowings† Time	Net Liabilities (4-5-6)	Borrowings from Reserve Bank	Borrowings from Imperial Bank	Cash in India
		1	2	3	4	5	6	7	8	9	10
1	April 2	89	541,51	325,41	**866,93**	8,35	1,28	**857,30**	22,37	13,44	31,38
2	,, 9	89	539,86	327,84	**867,70**	7,06	1,28	**859,36**	26,92	11,55	31,26
3	,, 16	89	542,20	328,06	**870,26**	8,38	1,33	**860,55**	28,39	12,55	33,00
4	,, 23	89	545,57	328,71	**874,28**	7,52	1,23	**865,53**	29,57	11,81	33,45
5	,, 30	88	536,92	328,47	**865,39**	8,20	1,23	**855,96**	44,06	13,80	32,43
6	May 7	88	528,34	329,15	**857,49**	7,25	1,44	**848,80**	54,12	16,37	32,32
7	,, 14	88	536,75	328,60	**865,35**	8,13	1,55	**855,67**	52,69	10,59	33,64
8	,, 21	88	541,35	328,95	**870,29**	8,03	1,46	**860,80**	45,65	9,32	33,04
9	,, 28	88	543,23	329,64	**872,87**	8,38	1,66	**862,83**	37,29	9,17	32,73
10	June 4	88	539,45	329,62	**869,07**	8,31	1,65	**859,11**	34,81	9,44	33,42
11	,, 11	88	543,30	330,94	**874,24**	9,53	1,66	**863,05**	32,78	7,09	33,19
12	,, 18	88	541,94	333,43	**875,37**	9,72	1,66	**863,99**	26,11	6,04	32,40
13	,, 25	88	546,80	334,40	**881,19**	10,25	1,46	**869,48**	17,94	4,68	33,02
14	July 2	88	546,35	335,62	**881,97**	10,02	1,53	**870,42**	12,64	5,08	32,18
15	,, 9	88	544,05	336,96	**881,01**	9,60	1,53	**869,88**	13,53	5,05	31,60
16	,, 16	88	550,19	340,47	**890,66**	10,15	1,50	**879,01**	8,50	4,16	30,75
17	,, 23	88	552,87	344,51	**897,38**	8,91	1,60	**886,87**	2,69	3,78	30,29
18	,, 30	88	549,23	346,04	**895,28**	9,94	1,84	**883,50**	3,14	4,28	29,62
19	August 6	88	546,59	347,58	**894,17**	10,03	1,68	**882,46**	5,49	5,33	29,95
20	,, 13	88	547,85	347,61	**895,48**	11,09	1,62	**882,77**	4,92	3,50	30,71
21	,, 20	88	555,77	350,47	**906,24**	13,27	1,77	**891,20**	2,42	3,06	29,96
22	,, 27	88	562,13	350,62	**912,75**	12,62	1,75	**898,38**	2,33	2,86	31,08
23	September 3	88	557,92	351,87	**909,79**	11,97	1,75	**896,07**	3,42	5,98	30,37
24	,, 10	88	558,60	351,12	**909,72**	12,29	1,79	**895,64**	6,00	6,10	33,04
25	,, 17	88	558,35	350,66	**909,01**	10,92	2,22	**895,87**	5,71	7,61	31,81
26	,, 24	88	557,63	352,15	**909,78**	10,22	2,20	**897,36**	5,49	7,00	33,41
27	October 1	88	554,28	353,07	**907,35**	10,34	2,15	**894,86**	6,32	6,60	30,97
28	,, 8	88	554,74	250,15	**904,89**	9,71	2,40	**892,78**	7,91	9,28	37,11
29	,, 15	88	559,15	355,45	**914,60**	9,80	3,04	**901,76**	5,45	4,95	33,85
30	,, 22	88	562,09	357,55	**919,65**	11,67	3,02	**904,96**	3,56	4,96	32,84
31	,, 29	88	561,97	355,79	**917,76**	10,52	3,03	**904,21**	6,36	6,47	35,98
32	November 5	88	566,17	361,53	**927,70**	11,72	2,93	**913,05**	1,78	4,94	33,39
33	,, 12	88	567,67	361,93	**929,60**	12,73	2,93	**913,94**	1,87	4,07	33,50
34	,, 19	88	572,48	364,40	**936,88**	12,18	2,77	**921,93**	93	3,85	33,08
35	,, 26	88	572,23	366,86	**939,08**	10,85	**3,28**	**924,95**	1,08	3,59	32,41
36	December 3	88	575,99	365,40	**941,39**	11,93	3,64	**925,82**	2,53	4,77	32,96
37	,, 10	88	564,72	363,69	**928,41**	10,05	3,33	**915,03**	8,32	6,61	37,61
38	,, 17	88	572,20	364,69	**936,89**	11,22	3,59	**922,08**	3,20	3,78	34,53
39	,, 24	88	574,86	367,28	**942,14**	12,67	3,36	**926,11**	1,46	3,41	31,99
40	,, 31	88	573,01	368,85	**941,86**	6,17	3,57	**932,12**	9,63	2,67	35,95
41	January 7	88	572,10	367,27	**939,37**	10,76	3,17	**925,44**	6,68	3,54	32,79
42	,, 14	88	572,49	367,16	**939,65**	9,32	2,87	**927,46**	8,16	3,93	32,25
43	,, 21	88	582,76	368,61	**951,37**	10,60	2,83	**937,94**	6,71	3,91	32,94
44	,, 28	88	579,93	370,44	**950,37**	10,24	2,91	**937,22**	8,15	4,21	33,95
45	February 4	88	581,98	369,09	**951,07**	10,22	**2,56**	**938,29**	9,53	5,96	32,79
46	,, 11	88	580,68	370,97	**951,65**	9,78	2,50	**939,37**	10,26	6,41	32,00
47	,, 18	88	590,81	371,37	**962,19**	10,16	2,35	**949,68**	9,02	6,37	32,05
48	,, 25	88	588,12	370,66	**958,79**	9,80	2,43	**946,56**	12,81	7,34	32,85
49	March 4	88	582,96	371,38	**954,34**	7,61	2,21	**944,52**	17,32	9,10	33,32
50	,, 11	88	582,89	376,48	**959,37**	8,52	1,86	**948,99**	26,43	8,82	34,49
51	,, 18	88	572,26	375,81	**948,08**	7,08	1,56	**939,44**	35,43	9,75	32,45
52	,, 25	88	574,26	376,88	**951,14**	6,98	1,56	**942,60**	37,07	8,07	31,62

* Including inter-bank borrowings.
† Excluding borrowings from the Reserve Bank of India and the Imperial Bank of India.

MENT 23

OF SCHEDULED BANKS, 1954-55

(Lakhs of Rupees)

Balances with Reserve Bank	Excess of 11 over the Statutory Minimum	**Total Cash and Balances with Reserve Bank (10+11)**	*Percentage of 13 to 4*	Balances with other Banks in Current Account	Investments in Government Securities**	*Percentage of 16 to 4*	Money at Call and Short Notice	Bills Purchased and Discounted: Inland	Bills Purchased and Discounted: Foreign††	Advances	**Total Scheduled Bank Credit (18+19+20+21)**	*Percentage of 22 to 4*	
11	12	13	14	15	16	17	18	19	20	21	22	23	
50,45	16,87	**81,83**	*9·44*	11,58	318,83	*36·78*	10,83	73,27	..	472,23	**556,33**	*64·17*	*1*
41,56	8,01	**72,82**	*8·39*	11,20	316,33	*36·46*	10,43	74,23	..	477,93	**562,59**	*64·84*	*2*
41,07	7,40	**74,07**	*8·51*	10,25	312,38	*35·89*	12,16	75,13	..	481,61	**568,90**	*65·37*	*3*
41,96	8,11	**75,41**	*8·63*	11,11	313,93	*35·91*	11,01	76,83	..	481,30	**569,14**	*65·10*	*4*
40,52	7,10	**72,95**	*8·43*	10,69	322,85	*37·31*	10,57	75,93	..	487,20	**573,70**	*66·29*	*5*
39,65	6,65	**71,97**	*8·39*	10,54	323,25	*37·70*	9,23	75,96	..	491,29	**576,48**	*67·23*	*6*
42,01	8,60	**75,65**	*8·74*	11,47	323,03	*37·33*	11,25	75,05	20,87	485,31	**592,48**	*68·47*	*7*
42,93	9,28	**75,97**	*8·73*	10,87	324,28	*37·26*	11,78	75,96	20,76	482,86	**591,36**	*67·95*	*8*
41,12	7,37	**73,85**	*8·46*	10,80	324,05	*37·12*	12,91	73,29	20,92	478,37	**585,49**	*67·08*	*9*
41,60	8,04	**75,02**	*8·63*	9,91	326,31	*37·55*	12,18	70,60	21,36	480,44	**584,58**	*67·27*	*10*
42,23	8,45	**75,42**	*8·63*	10,86	327,31	*37·44*	15,49	68,43	19,60	473,09	**576,61**	*65·96*	*11*
41,34	7,57	**73,74**	*8·42*	10,67	327,44	*37·41*	15,42	65,84	20,67	470,47	**572,40**	*65·39*	*12*
41,83	7,80	**74,85**	*8·49*	11,61	326.83	*37·09*	16,21	62,76	21,19	465,64	**565,80**	*64·21*	*13*
43,57	9,54	**75,75**	*8·59*	11,34	327,31	*37·11*	16,14	63,01	20,25	469,82	**569,22**	*64·54*	*14*
42,95	9,01	**74,55**	*8·46*	10,50	328,04	*37·23*	17,02	60,51	19,36	467,30	**564,19**	*64·04*	*15*
44,54	10,22	**75,29**	*8·45*	10,59	328,97	*36·94*	17,91	60,66	21,35	459,67	**559,59**	*62·83*	*16*
48,07	13,54	**78,36**	*8·73*	9,66	329,85	*36·76*	16,96	60,57	22,66	454,20	**554,39**	*61·78*	*17*
46,79	12,41	**76,41**	*8·53*	9,71	333,86	*37·29*	16,73	61,29	22,58	450,38	**550,98**	*61·54*	*18*
48,43	14,15	**78,38**	*8·77*	10,29	336,12	*37·59*	15,17	59,48	23,02	450,14	**547,81**	*61·26*	*19*
48,71	14,36	**79,42**	*8·87*	10,48	337,73	*37·71*	16,27	59,33	22,98	446,46	**545,04**	*60·87*	*20*
58,80	24,00	**88,76**	*9·80*	10,61	339,20	*37·43*	18,85	57,77	24,41	441,03	**542,06**	*59·81*	*21*
61,77	26,65	**92,85**	*10·17*	10,40	339,83	*37·23*	18,03	57,67	23,63	438,83	**538,16**	*58·96*	*22*
65,08	30,15	**95,45**	*10·49*	9,96	342,63	*37·66*	16,65	55,64	23,70	446,13	**542,12**	*59·59*	*23*
58,33	23,38	**91,37**	*10·04*	9,85	345,78	*38·01*	16,37	54,18	23,64	446,76	**540,95**	*59·46*	*24*
59,69	24,76	**91,50**	*10·07*	9,73	347.96	*38·28*	14,54	53,23	24,29	449,57	**541,63**	*59·58*	*25*
59,15	24,23	**92,56**	*10·17*	9,53	346,24	*38·06*	14,63	49,73	26,21	448,91	**539,48**	*59·30*	*26*
59,20	24,42	**90,17**	*9·94*	9,41	346,20	*38·16*	16,43	49,82	27,12	450,37	**543,74**	*59·93*	*27*
60,59	25,85	**97,70**	*10·80*	9,10	346,52	*38·29*	13,41	51,47	25,96	455,59	**546,43**	*60·39*	*28*
64,52	29,45	**98,37**	*10·76*	10,48	348,16	*38·07*	15,59	48,97	25,44	445,68	**535,68**	*58·57*	*29*
68,41	33,15	**101,25**	*11·01*	10,07	349,47	*38·00*	17,74	49,16	28.61	445,06	**540,57**	*58·78*	*30*
65,55	30,34	**101,53**	*11·06*	10,02	349,76	*38·11*	15,51	51,83	28,35	445,66	**541,35**	*58·99*	*31*
66,62	31,08	**100,01**	*10·78*	10,72	350,97	*37·83*	17,35	51,45	28,96	443,97	**541,73**	*58·39*	*32*
64,98	29.36	**98,48**	*10·59*	10,17	352,23	*37·89*	19.65	50,21	28,85	446,26	**544,97**	*58·62*	*33*
76,32	40,41	**109,40**	*11·68*	10,23	350,41	*37·40*	19,48	45,03	28,92	446,85	**540,28**	*57·67*	*34*
76,37	40,42	**108,78**	*11·58*	10,69	349,79	*37·25*	19,69	44,75	27,34	447,11	**538,89**	*57·38*	*35*
77,02	40,91	**109,97**	*11·68*	11,39	349,61	*37·14*	19,19	46,87	27,22	455,69	**548,98**	*58·32*	*36*
65,92	30,41	**103,53**	*11·15*	11,50	349,44	*37·64*	17,11	42,87	27,63	465,47	**553,08**	*59·57*	*37*
65,99	30,08	**100,52**	*10·73*	10,83	350,09	*37·37*	19,78	42,18	28,16	463,88	**553,99**	*59·13*	*38*
65,53	29,44	**97,52**	*10·35*	10,69	349,00	*37·04*	22,68	43,34	28,95	464,79	**559,79**	*59·41*	*39*
67,79	31,76	**103,74**	*11·01*	13,94	347,87	*36·93*	15,80	43,69	27,85	466,94	**554,29**	*58·85*	*40*
63,29	27,34	**96,08**	*10·23*	10,82	349,06	*37·16*	18,94	47,70	29,35	475,21	**571,20**	*60·81*	*41*
58,16	22,19	**90,41**	*9·62*	10,35	351,12	*37·57*	17,35	46,73	29,96	476,13	**570,17**	*60·68*	*42*
61,77	25,26	**94,71**	*9·95*	10,96	352,27	*37·03*	18,83	47,61	32,89	474,81	**574,15**	*60·35*	*43*
57,88	21,47	**91,83**	*9·66*	10,18	352,62	*37·10*	17,52	47,58	31,37	481,03	**577,50**	*60·77*	*44*
54,97	18,49	**87,76**	*9·23*	10,25	354,45	*37·27*	17,69	42,04	31,59	489,30	**580,62**	*61·05*	*45*
47,59	11,14	**79,60**	*8·36*	10,13	355,24	*37·33*	17,74	48,40	30,87	495.75	**592,76**	*62·29*	*46*
49,21	12,25	**81,27**	*8·45*	10,04	354,33	*36·83*	19,92	55,81	32,59	494,83	**603,14**	*63·68*	*47*
46,69	9,37	**79,53**	*8·30*	9,62	352,31	*36·75*	17,96	58,26	32,20	498,98	**607,41**	*63·35*	*48*
45,65	9,07	**78,97**	*8·28*	10,20	347,48	*36·41*	15,03	64,46	32,12	505,41	**617,01**	*64·65*	*49*
46,18	9,50	**80,66**	*8·41*	10,12	347,46	*36·22*	15,16	70,06	32,41	506,72	**624,34**	*65·08*	*50*
45,63	9,50	**78,08**	*8·24*	10,07	345,85	*36·48*	12,03	70,02	31,07	514,33	**627,45**	*66·18*	*51*
46,18	9,93	**77,80**	*8·18*	9,82	344,17	*36·19*	11,35	77,53	32,88	512,41	**634,17**	*66·67*	*52*

** At book-value ; including Treasury bills and Treasury Deposit Receipts. †† Called for from May 14, 1954.

CONSOLIDATED POSITION OF SCHEDULED

Average of Friday Figures	No. of Reporting Banks at the end of period	Demand Liabilities	*Percentage of (2) to (6)*	Time Liabilities	Savings Deposits†	**Total Demand and Time Liabilities**	Inter-bank Borrowings‡ Demand	Inter-bank Borrowings‡ Time	Inter-bank Borrowings‡ **Total**	Net Liabilities	Borrowings from Reserve Bank
	1	2	3	4	5	6	7	8	9	10	11
1 1950-51 ..	93	599,13	*68·3*	278,45	137,85	**877,59**	20,75	1,01	**21,76**	855,83	4,46
2 1951-52 ..	94	593,73	*67·1*	290,82	135,66	**884,55**	23,20	61	**23,81**	860,74	13,82
3 1952-53 ..	91	546,23	*63·8*	309,26	138,05	**855,49**	13,04	3,43	**16,46**	839,03	11,20
4 1953-54 ..	89	526,75	*61·6*	328,26	142,14	**855,00**	11,13	2,08	**13,22**	841,78	10,46
5 1954-55 ..	88	559,62	*61·4*	351,86	151,57	**911,48**	9,88	2,18	**12,06**	899,42	14,94
6 April 1953	90	541,81	*63·08*	317,11	138,98	**858,91**	13,28	2,06	**15,34**	843,57	14,07
7 May ,, ..	90	529,18	*62·16*	322,18	139,13	**851,36**	11,03	1,86	**12,89**	838,47	20,58
8 June ,, ..	90	527,17	*61·87*	324,95	139,37	**852,11**	10,86	1,93	**12,80**	839,31	20,33
9 July ,, ..	90	532,42	*61·86*	328,21	140,15	**860,64**	13,32	2,05	**15,36**	845,28	2,54
10 August ,, ..	90	527,25	*61·55*	329,39	140,39	**856,64**	12,58	2,12	**14,70**	841,94	2,85
11 September ,, ..	90	525,51	*61·41*	330,22	140,75	**855,73**	13,60	2,24	**15,84**	839,89	2,35
12 October ,, ..	90	527,00	*61·31*	332,50	140,15	**859,51**	14,35	3,27	**17,61**	841,90	1,82
13 November ,, ..	90	525,78	*61·20*	333,30	139,25	**859,08**	11,93	2,89	**14,82**	844,26	1,53
14 December ,, ..	90	523,56	*61·22*	331,70	140,14	**855,26**	10,31	2,10	**12,41**	842,85	1,86
15 January 1954..	91	518,39	*61·23*	328,25	140,66	**846,64**	7,95	1,48	**9,43**	837,21	9,57
16 February ,, ..	90	518,17	*61·09*	330,04	141,46	**848,21**	6,67	1,51	**8,18**	840,03	20,35
17 March ,, ..	89	523,91	*61·49*	328,18	142,14	**852,09**	7,08	1,41	**8,49**	843,60	29,50
18 April ,, ..	88	541,14	*62·31*	327,36	143,59	**868,51**	7,89	1,27	**9,16**	859,35	30,26
19 May ,, ..	88	537,40	*62·03*	328,96	143,55	**866,35**	7,96	1,52	**9,48**	856,87	47,44
20 June ,, ..	88	542,77	*62·04*	332,12	144,80	**874,89**	9,52	1,61	**11,13**	863,76	27,91
21 July ,, ..	88	548,64	*61·73*	340,15	145,97	**888,79**	9,85	1,59	**11,44**	877,35	8,10
22 August ,, ..	88	552,99	*61·30*	349,12	146,58	**902,12**	11,75	1,70	**13,45**	888,67	3,79
23 September ,, ..	88	557,99	*61·36*	351,46	146,94	**909,44**	11,35	1,99	**13,34**	896,10	5,16
24 October ,, ..	88	557,48	*61·14*	354,40	146,76	**911,88**	10,48	2,78	**13.26**	898,62	5,92
25 November ,, ..	88	569,56	*61·03*	363,69	146,68	**933,25**	11,87	2,98	**14,85**	918,40	1,42
26 December ,, ..	88	571,96	*60·98*	365,98	148,04	**937,94**	10,41	3,50	**13,91**	924,03	5,03
27 January 1955..	88	576,82	*61·03*	368,37	148,35	**945,19**	10,23	2,94	**13,17**	932,02	7,43
28 February ,, ..	88	585,40	*61·24*	370,53	149,74	**955,93**	9,99	2,46	**12,45**	943,48	10,41
29 March ,, ..	88	578,09	*60·65*	375,14	151,57	**953,23**	7,55	1,80	**9,35**	943,88	29,06

† Annual figures for savings deposits are as on the last Friday of March and monthly figures as on the last Friday of the month. For the purpose of Section 42 of the Reserve Bank of India Act, savings deposits are classified under demand or time liabilities according to the rules of the various scheduled banks in respect of withdrawal of these deposits. ‡ Excluding borrowings from the Reserve Bank of India and with effect from April 18, 1952 those from the Imperial Bank of India.

BANKS (ANNUAL AND MONTHLY)

(Lakhs of Rupees)

Cash	Balances with Reserve Bank	Excess of (13) over the Statutory Minimum	**Total Cash and Balances with Reserve Bank**	*Percentage of (15) to (6)*	Balances with other Banks in Current Account	Investments in Government Securities††	*Percentage of (18) to (6)*	Money at Call and Short Notice‡	Bills Purchased and Discounted: Inland‡	Bills Purchased and Discounted: Foreign§	Advances‡	**Total Scheduled Bank Credit (20+21+22+23)**	*Percentage of (24) to (6)*	
12	13	14	15	16	17	18	19	20	21	22	23	24	25	
34,68	60,78	25,25	**95,46**	*10·88*	..	.. .	..	..	11,87	..	447,03	**458,90**	*52·29*	*1*
37,33	57,29	21,79	**94,62**	*10·70*	11,91*	303,48*	*34·31*	11,40*	22,81	..	523,59	**557,80**	*63·06*	*2*
33,33	51,82	18,32	**85,15**	*9·95*	11,57	306,34	*35·81*	17,26	38,47	..	461,64	**517,37**	*60·48*	*3*
31,97	44,84	11,94	**76,81**	*8·98*	11,02	321,29	*37·58*	15,07	51,40	..	442,79	**509,26**	*59·56*	*4*
32,66	53,91	18,89	**86,56**	*9·50*	10,51	339,74	*37·27*	15,82	58,19	26,47¶	468,39	**565,82**§§	*62·08*	*5*
32,94	44,49	11,06	**77,43**	*9·01*	12,91	301,43	*35·09*	16,45	58,62	..	469,89	**544,96**	*63·45*	*6*
31,91	39,92	7,02	**71,83**	*8·44*	11,45	300,46	*35·29*	14,98	60,87	..	473,54	**549,39**	*64·53*	*7*
33,22	39,94	7,08	**73,16**	*8·59*	11,27	309,77	*36·35*	15,27	58,38	..	464,10	**537,75**	*63·11*	*8*
31,86	42,99	9,80	**74,85**	*8·70*	11,39	314,39	*36·53*	18,09	52,83	..	443,69	**514,61**	*58·79*	*9*
30,56	44,55	11,60	**75,11**	*8·77*	10,12	323,14	*37·72*	16,50	49,09	..	430,70	**496,29**	*57·93*	*10*
31,12	48,48	15,60	**79,60**	*9·30*	10,08	331,04	*38·68*	17,44	43,68	..	422,67	**483,79**	*56·54*	*11*
31,12	53,01	20,01	**84,13**	*9·79*	10,31	336,84	*39·19*	19,66	39,55	..	417,27	**476,48**	*55·44*	*12*
32,14	55,18	22,22	**87,32**	*10·16*	10,85	338,58	*39·41*	16,87	39,76	..	414,68	**471,31**	*54·86*	*13*
31,82	51,11	18,30	**82,93**	*9·70*	11,12	336,95	*39·40*	14,88	42,05	..	412,88	**469,81**	*54·93*	*14*
33,15	40,97	8,48	**74,12**	*8·75*	11,57	325,84	*38·49*	10,85	50,07	..	436,74	**497,66**	*58·78*	*15*
32,00	38,81	6,30	**70,81**	*8·35*	10,61	320,49	*37·78*	9,23	56,12	..	460,49	**525,84**	*61·99*	*16*
31,71	39,27	6,51	**70,98**	*8·33*	10,67	318,19	*37·34*	9,77	66,09	..	467,00	**542,87**	*63·71*	*17*
32,33	43,11	9,51	**75,44**	*8·69*	10,97	316,89	*36·49*	11,00	75,08	..	478,09	**564,17**	*64·96*	*18*
32,98	41,42	7,97	**74,40**	*8·59*	10,98	323,74	*37·37*	11,25	75,04	20,81**	484,19	**591,30**	*68·25*	*19*
32,98	41,75	7,97	**74,73**	*8·54*	10,81	326,96	*37·37*	14,67	66,90	20,44	472,37	**574,37**	*65·65*	*20*
30,87	45,18	10,95	**76,05**	*8·56*	10,34	329,55	*37·08*	16,95	61,22	22,30	460,16	**560,63**	*63·08*	*21*
30,45	54,43	19,79	**84,87**	*9·41*	10,46	338,25	*37·50*	17,08	56,82	23,74	444,15	**541,79**	*60·06*	*22*
32,17	60,58	25,65	**92,75**	*10·20*	9,79	345,66	*38·01*	15,53	53,19	24,46	447,83	**541,02**	*59·49*	*23*
33,81	63,89	28,93	**97,70**	*10·71*	9,84	348,09	*38·17*	15,66	49,97	27,20	448,99	**541,82**	*59·42*	*24*
33,08	71,03	35,28	**104,11**	*11·16*	10,46	350,87	*37·60*	19,06	47,87	28,52	446,11	**541,56**	*58·03*	*25*
34,61	68,45	32,53	**103,06**	*10·99*	11.67	349,10	*37·22*	18,91	43,79	27,96	463,35	**554,02**	*59·07*	*26*
32,98	60,27	24,06	**93,26**	*9·87*	10,58	351,27	*37·16*	18,16	47,41	30,89	476,80	**573,26**	*60·65*	*27*
32,42	49,62	12,94	**82,04**	*8·58*	10,01	354,08	*37·04*	18,33	51,13	31,81	494,71	**595,98**	*62·35*	*28*
32,97	45,91	9,50	**78,88**	*8·28*	10,05	346,24	*36·32*	13,39	70,52	32,12	509,72	**625,74**	*65·64*	*29*

†† At book value ; including Treasury bills and Treasury Deposit Receipts.

‡ Advances exclude 'Money at Call and Short Notice' and 'Inland Bills Purchased' from November 1951, the latter being included under column 21 as from that month.

* Average of weeks from November 1951. ¶ Average of 46 weeks.

§ Called for from May 14, 1954.

** Average of last three weeks.

§§ Excluding Foreign Bills prior to May 14, 1954.

STATEMENT 25

Scheduled Banks and State Co-operative Banks : Borrowings from the Reserve Bank of India, 1954-55

(Lakhs of Rupees)

1954-55 As at the close of		Scheduled Banks: Against usance bills and/or promissory notes	Scheduled Banks: Others	Scheduled Banks: Total	State Co-operative Banks
April	2	9,00	13,37	**22,37**	8,47
,,	9	13,18	13,74	**26,92**	7,96
,,	16	15,06	13,33	**28,39**	7,90
,,	23	15,21	14,36	**29,57**	8,13
,,	30	24,11	19,95	**44,06**	8,15
May	7	29,86	24,26	**54,12**	8,11
,,	14	29,87	22,82	**52,69**	8,65
,,	21	25,37	20,28	**45,65**	8,61
,,	28	21,27	16,02	**37,29**	8,71
June	4	15,90	18,91	**34,81**	8,71
,,	11	21,23	11,55	**32,78**	9,01
,,	18	18,28	7,83	**26,11**	9,23
,,	25	12,40	5,54	**17,94**	9,55
July	2	6,85	5,79	**12,64**	8,92
,,	9	9,25	4,28	**13,53**	9,08
,,	16	5,83	2,67	**8,50**	9,64
,,	23	89	1,80	**2,69**	9,51
,,	30	91	2,23	**3,14**	10,18
August	6	2,08	3,41	**5,49**	10,49
,,	13	1,53	3,39	**4,92**	10,76
,,	20	29	2,13	**2,42**	10,66
,,	27	48	1,85	**2,33**	10,64
September	3	94	2,48	**3,42**	10,45
,,	10	1,29	4,71	**6,00**	10,29
,,	17	64	5,07	**5,71**	10,26
,,	24	1,04	4,45	**5,49**	10,55
October	1	1,32	5,00	**6,32**	10,58
,,	8	1,82	6,09	**7,91**	10,56
,,	15	1,07	4,38	**5,45**	10,98
,,	22	1,07	2,49	**3,56**	11,13
,,	29	2,42	3,94	**6,36**	11,23
November	5	75	1,03	**1,78**	11,38
,,	12	83	1,04	**1,87**	11,32
,,	19	—	93	**93**	11,37
,,	26	—	1,08	**1,08**	11,09
December	3	16	2,37	**2,53**	11,05
,,	10	2,95	5,37	**8,32**	11,02
,,	17	1,65	1,55	**3,20**	10,89
,,	24	90	56	**1,46**	10,75
,,	31	2,90	6,73	**9,63**	10,68
January	7	3,35	3,33	**6,68**	10,62
,,	14	3,54	4,62	**8,16**	10,82
,,	21	3,14	3,57	**6,71**	10,89
,,	28	3,57	4,58	**8,15**	10,78
February	4	4,59	4,94	**9,53**	10,69
,,	11	4,92	5,34	**10,26**	10,50
,,	18	4,97	4,05	**9,02**	10,41
,,	25	6,44	6,37	**12,81**	10,33
March	4	8,26	9,06	**17,32**	10,24
,,	11	18,61	7,82	**26,43**	9,96
,,	18	24,42	11,01	**35,43**	9,84
,,	25	28,25	8,82	**37,07**	9,74

STATEMENT 26

INDICES OF THE CONSOLIDATED POSITION OF SCHEDULED BANKS

(*Base :* 1948-49=100)

Average of Friday Figures	Demand Liabilities*	Time Liabilities*	Total Demand and Time Liabilities*	Cash	Balances with Reserve Bank	Excess of 5 over the Statutory Minimum	Total Cash and Balances with Reserve Bank	*Percentage of 7 to 3*	Total Scheduled Bank Credit†	*Percentage of 9 to 3*
	1	2	3	4	5	6	7	8	9	10
1950-51	88·8	91·6	89·7	92·5	79·3	68·6	83·6	*93·2*	104·0	*115·9*
1951-52	88·0	95·7	90·4	99·5	74·8	59·2	82·9	*91·7*	124·9	*138·2*
1952-53	81·0	101·8	87·4	88·9	67·6	49·8	74·6	*85·3*	117·2	*134·1*
1953-54	78·1	108·0	87·4	85·2	58·5	32·4	67·3	*77·0*	115·4	*132·0*
1954-55	83·0	115·8	93·2	87·1	70·4	51·3	75·8	*81·4*	128·2	*137·6*
April 1954	80·2	107·7	88·8	86·2	56·3	25·8	66·1	*74·5*	127·8	*144·0*
May ,, ...	79·7	108·3	88·5	87·9	54·1	21·6	65·2	*73·6*	134·0	*151·3*
June ,, ...	80·5	109·3	89·4	87·9	54·5	21·6	65·5	*73·2*	130·2	*145·6*
July ,, ...	81·3	111·9	90·8	82·3	59·0	29·7	66·6	*73·4*	127·0	*139·9*
August ,, ...	82·0	114·9	92·2	81·2	71·0	53·7	74·4	*80·6*	122·8	*133·2*
September ,, ...	82·7	115·7	92·9	85·8	79·1	69·7	81·3	*87·4*	122·6	*131·9*
October ,, ...	82·6	116·6	93·2	90·1	83·4	78·6	85·6	*91·8*	122·8	*131·8*
November ,, ...	84·4	119·7	95·4	88·2	92·7	95·8	91·2	*95·6*	122·7	*128·7*
December ,, ...	84·8	120·4	95·9	92·3	89·3	88·3	90·3	*94·2*	125·5	*131·0*
January 1955	85·5	121·2	96·6	87·9	78·7	65·3	81·7	*84·6*	129·9	*134·5*
February ,, ...	86·8	121·9	97·7	86·4	64·8	35·1	71·9	*73·5*	135·1	*138·2*
March ,, ...	85·7	123·5	97·4	87·9	59·9	25·8	69·1	*71·0*	141·8	*145·5*

* Excluding borrowings from the Reserve Bank of India and with effect from April 18, 1952 those from the Imperial Bank of India.
† Including foreign bills purchased and discounted from May 14, 1954.

STATEMENT 27

Money Rates in India

(Per cent per annum)

	Bank Rate (b)	Treasury Bill Rate (Average)	Imperial Bank of India (a) — Call Loan Rate (c) — Rs. 5 lakhs and over — Highest	Lowest	Below Rs. 5 lakhs — Highest	Lowest	Hundi Rate (d) — Highest	Lowest	Advance Rate (e) — Highest	Lowest
1950-51 ..	3		3 Mar.	2¾ Apr.-Mar.	3¼ Mar.	3 Apr.-Mar.	4 Jan.-Mar.	3½ Apr.-Jan.	3½	
1951-52 ..	3½ (3 up-to Nov. 14)		3½ Dec.-Mar.	2¾ Apr. and July-Nov. (f)	3¾ Dec.-Mar.	3 Apr. and July-Nov. (f)	4½ Nov.-Mar.	4 Apr.-Nov.	4 Nov.-Mar.	3½ Apr.-Nov.
1952-53 ..	3½	2·22	3½		3¾		4½		4	
1953-54 ..	3½	2·45	3½		3¾		4½		4	
1954-55 ..	3½	2·53	3½		3¾		4½		4	
1st of										
April 1954..	3½	2·69	3½		3¾		4½		4	
May ,, ..	3½	—	3½		3¾		4½		4	
June ,, ..	3½	—	3½		3¾		4½		4	
July ,, ..	3½	—	3½		3¾		4½		4	
Aug. ,, ..	3½	—	3½		3¾		4½		4	
Sept. ,, ..	3½	—	3½		3¾		4½		4	
Oct. ,, ..	3½	—	3½		3¾		4½		4	
Nov. ,, ..	3½	—	3½		3¾		4½		4	
Dec. ,, ..	3½	2·50	3½		3¾		4½		4	
Jan. 1955..	3½	—	3½		3¾		4½		4	
Feb. ,, ..	3½	2·52	3½		3¾		4½		4	
Mar. ,, ..	3½	2·48	3½		3¾		4½		4	

(a) The rates relate to Bombay, Calcutta and Madras.

(b) The standard rate at which the Reserve Bank of India is prepared to buy or rediscount bills of exchange or other commercial paper eligible for purchase under the Reserve Bank of India Act.

(c) The basic advance rate of the Imperial Bank for demand loans taken by scheduled banks against Government securities.

(d) The rate at which the Imperial Bank discounts first class three months commercial bills.

(e) The general advance rate at which the Imperial Bank grants advances to the public against Government securities.

(f) April and July to December in Bombay.

STATEMENT 28

Money Rates in Bombay, Calcutta and Madras

(Per cent per annum)

	Call Money Rate (a)							
	Bombay				Calcutta		Madras	
	Larger Banks (b)		Smaller Banks					
	Highest	Lowest	Highest	Lowest	Highest	Lowest	Highest	Lowest
1950-51 ..	1¼ Jan.-Mar.	½ June-Jan.	1½ Feb.-Mar.	1 June-Dec.	½		¾—1½	
1951-52 ..	3 Feb. & Mar.	½ Sept.-Nov.	3¼ Mar.	1½ Apr.-May & Sept.-Nov.	2½ Mar.	½ Apr.-Jan.	3¼ Mar.	¾ Apr.-Dec.
1952-53 ..	3 Apr., May & Dec.-Mar.	½ Nov.	3¼ Jan.	1½ July, Aug., Oct. & Nov.	3 Apr., June	1½ Nov.-Dec.	3¼ Apr.-June	1½ Nov.
1953-54 ..	3 Apr., Dec.-Mar.	¾ Oct., Nov.	3 Apr.-July, Nov., Dec.-Mar.	1¾ Oct.	2¾ Apr.-Aug., Jan. & Mar.	1¼ Oct. & Nov.	3 Apr.-Oct., Nov., Feb. and Mar.	1¾ Dec.
1954-55 ..	3 Apr.-June & Dec.-Mar.	¾ Nov.-Dec.	3¼ Mar.	1¾ July-Sept.	3¼ Mar.	1¼ Dec.	3 Apr.-July & Mar.	1¼ Dec.
1st of								
April 1954	3	2¾	3		2¾		3	
May ,,	3	2¾	3		2¾		3	
June ,,	3	2¾	3		2¾		3	2¾
July ,,	2¾		3		2¾		3	2½
August ,,	2	1¾	2	1¾	2½	2¼	2	1¾
September ,,	1½	1¼	2	1¾	2½		2½	2
October ,,	2¼	2	2¾	2½	3		2¼	2
November ,,	1¾	1½	2¾	2½	2½		2½	2
December ,,	1	¾	2½	2¼	2		2	1¾
January 1955	3		3	2¾	3		2½	1¾
February ,,	3	2¾	3	2¾	3		2¼	1¾
March ,,	3	2¾	3	2¾	3		2½	

(a) Rate at which banks advance their day-to-day surplus funds to other banks. These loans are repayable on call at the option of the lender.

(b) Including exchange banks.

STATEMENT 28—(*Contd.*)

(Per cent per annum)

	Deposit Rates — 3 Months					
	Bombay		Calcutta		Madras	
	Highest	Lowest	Highest	Lowest	Highest	Lowest
1950-51	2¼ Jan.-Mar.	1 June-Nov.	¾ July-Mar.	½ Apr.-June	¾	
1951-52	3¼ Mar.	1¾ Apr. & May	2¼ Dec.-Mar.	½ Apr.-Nov.	2¼ Feb.-Mar.	¾ Apr.-Dec.
1952-53	3¼ Apr. & May	1¾ Aug.	2¼		2½ Feb.-Mar.	2¼ Apr.-Feb.
1953-54	3 Apr., Jan.-Mar.	2 July, Aug.-Sept.	2¼		2½	
1954-55	3¼ Mar.	2¼ Aug.-Sept.	2¼ Apr.-Aug.	2 Aug.-Mar.	2½	
1st of						
April 1954 ..	3		2¼		2½	
May „ ..	3		2¼		2½	
June „ ..	3	2¾	2¼		2½	
July „ ..	3	2¾	2¼		2½	
August „ ..	2¾	2½	2¼		2½	
September „ ..	2¾	2½	2		2½	
October „ ..	3	2¾	2		2½	
November „ ..	3	2¾	2		2½	
December „ ..	3	2¾	2		2½	
January 1955 ..	3		2		2½	
February „ ..	3⅛	3	2		2½	
March „ ..	3		2		2½	

STATEMENT 28—(*Contd.*)

(Per cent per annum)

	Deposit Rates—*Contd.* 6 Months Bombay Highest	Bombay Lowest	Calcutta Highest	Calcutta Lowest	Madras Highest	Madras Lowest
1950-51	2¼ Jan.-Mar.	1¼ July-Nov.	1 July-Mar.	¾ Apr.-June	¾	
1951-52	3¼ Mar.	2 Apr.-Nov.	1½ Dec.-Mar.	¾ Apr.-Dec.	2 Dec.-Mar.	¾ Apr.-Dec.
1952-53	3¼ Apr.	2 June	1½		2½ Feb.-Mar.	2 Apr.-Feb.
1953-54	3⅛ Mar.	2 July	1½		2½	
1954-55	3¼ Dec., Mar.	2½ July, Sept.	2 Sept.-Mar.	1½ Apr.-Aug.	2½	
1st of						
April 1954	3	2¾	1½		2½	
May ,,	3	2¾	1½		2½	
June ,,	3	2¾	1½		2½	
July ,,	2¾	2½	1½		2½	
August ,,	3	2¾	1½		2½	
September ,,	3	2¾	2		2½	
October ,,	3	2¾	2		2½	
November ,,	3⅛	3	2		2½	
December ,,	3⅛	3	2		2½	
January 1955	3		2		2½	
February ,,	3⅛	3	2		2½	
March ,,	3		2		2½	

STATEMENT 28—(*Contd.*)

(Per cent per annum)

	Deposit Rates—*Contd.* 12 Months		Bazaar Bill Rate (*c*)			
	Bombay		Bombay		Calcutta	
	Highest	Lowest	Highest	Lowest	Highest	Lowest
1950-51	2 Apr.-May, Feb. & Mar.	1½ June-Jan.	9 Jan.-Mar.	8¼ Apr.-Jan.	10-12	
1951-52	2½ Nov. & Dec.	1¾ Apr.-Nov.	9		10-12	
1952-53	2¾ Apr., May & Nov.-Mar.	2 Apr.-Sept., Nov. & Dec.	9¾ July-Jan.	9 Apr.-July, Feb. & Mar.	10-12	
1953-54	2¾ Jan.-Mar.	1¾ Sept. & Oct.	9¾ Dec.-Mar.	8⅝ Aug.-Sept.	10-12	
1954-55	3 Mar.	2¼ May-Dec.	9¾		10-12	
1st of						
April 1954	2¾	2½	9¾		10-12	
May ,,	2¾	2½	9¾		10-12	
June ,,	2½	2¼	9¾		10-12	
July ,,	2½	2¼	9¾		10-12	
August ,,	2½	2¼	9¾		10-12	
September ,,	2½	2¼	9¾		10-12	
October ,,	2½	2¼	9¾		10-12	
November ,,	2½	2¼	9¾		10-12	
December ,,	2½	2¼	9¾		10-12	
January 1955	2¾	2½	9¾		10-12	
February ,,	2¾	2½	9¾		10-12	
March ,,	2¾	2½	9¾		10-12	

(*c*) Rate at which bills of small traders are reported to have been discounted by Shroffs. These are unofficial quotations.

STATEMENT 29

Cheque Clearances (Annual and Monthly)

(Number in Thousands)
(Rupees in Lakhs)

	Total		AHMEDABAD		BANGALORE		BOMBAY		CALCUTTA		DELHI		KANPUR		MADRAS		OTHER CENTRES*	
	Number	Amount	Number	Amount	Number	Amount	Number	Amount	Number	Amount	Number	Amount	Number	Amount	Number	Amount	Number	Amount
	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18
1950-51	2,178	**553,18**	79	18,79	58	591	809	239,79	541	198,86	103	12,48	53	11,35	264	36,01	270	29,98
1951-52	2,340	**656,55**	85	26,29	62	716	881	253,26	580	271,21	114	13,85	51	12,15	276	39,57	291	33,06
1952-53	2,475	**547,53**	104	22,11	63	651	907	217,83	592	207,99	129	13,25	62	11,53	298	34,75	320	33,56
1953-54	2,669	**559,53**	117	21,12	69	797	987	222,42	612	214,10	160	15,26	69	12,18	304	32,44	350	34,03
1954-55	2,885	**604,12**	127	23,32	73	828	1,050	234,30	649	237,84	182	17,32	72	11,94	336	30,66	396	40,45
April 1954 ..	2,961	**625,75**	142	29,21	73	769	1,097	256,98	659	229,71	193	19,50	81	15,02	312	25,17	403	42,47
May ,, ..	2,821	**560,54**	128	25,86	69	920	1,010	231,03	633	191,84	192	18,30	83	14,41	321	29,44	385	40,46
June ,, ..	2,582	**516,78**	102	17,14	66	749	925	207,03	588	195,58	169	15,43	69	9,91	304	27,58	360	36,62
July ,, ..	2,902	**559,18**	119	20,52	73	832	1,047	215,20	652	216,21	181	16,52	70	11,51	359	30,98	401	39,92
August ,, ..	2,709	**544,93**	114	21,38	69	724	954	200,97	648	224,30	162	15,36	64	10,28	330	29,16	367	36,24
September ,, ..	2,919	**602,85**	115	20,76	70	791	1,051	216,11	714	263,50	181	17,33	63	9,80	351	30,08	375	37,36
October ,, ..	2,554	**536,72**	130	21,62	69	715	947	223,42	536	197,65	153	14,47	54	9,61	306	27,10	360	35,70
November ,, ..	3,067	**651,43**	125	24,63	78	823	1,113	240,44	684	270,74	209	19,21	79	12,04	358	32,91	421	43,23
December ,, ..	2,995	**664,01**	126	22,05	73	795	1,102	255,97	664	272,62	188	17,81	76	12,60	347	32,46	419	42,55
January 1955	2,943	**623,75**	141	24,81	74	949	1,102	236,41	638	249,45	177	17,47	75	12,93	330	31,58	408	41,61
February ,, ..	2,878	**620,86**	139	24,47	72	847	1,042	238,01	641	248,60	179	17,39	74	12,00	329	31,45	403	40,47
March ,, ..	3,291	**742,60**	147	27,43	84	1,026	1,212	290,05	732	293,84	199	19,08	79	13,20	383	40,00	454	48,74

Note.—Annual figures are averages of monthly figures.

*Agra, Allahabad, Alleppey, Amritsar, Bareilly (From April 1951), Cochin (From March 1954), Coimbatore, Dehra Dun, Gaya, Hyderabad-Deccan, Jaipur (From April 1952), Jullundar City, Kozhikode, Lucknow, Mangalore, Mathurai, Muzaffarpur (From November 1950), Nagpur, New Delhi, Patna, Poona, Rajkot and Simla.

STATEMENT 30

(A) Remittances through the Reserve Bank of India

Telegraphic Transfers Issued and Paid

(Lakhs of Rupees)

Centre	1953-54				1954-55							
	October to December		January to March		April to June		July to September		October to December		January to March	
	Issued	Paid	Issued	Paid	Issued	Paid	Issued	Paid	Issued	Paid	Issued	Paid
Bangalore ..	3,45	2,23	5,25	2,90	6,25	3,29	6,12	1,57	4,90	2,16	6,63	2,11
Bombay ..	54,27	91,03	55,68	91,51	48,21	115,35	48,06	87,23	53,07	87,41	57,29	110,66
Calcutta ..	126,68	53,16	117,02	55,82	126,41	68,74	84,28	72,81	115,32	58,93	146,60	58,80
Delhi ..	24,83	31,91	29,44	23,80	40,54	29,77	34,64	20,77	27,05	30,53	32,41	27,18
Kanpur ..	12,82	18,29	10,48	15,76	21,01	14,08	22,55	7,71	11,49	19,86	8,26	23,19
Madras ..	14,90	38,22	18,15	44,17	19,86	30,77	14,26	21,20	19,42	27,75	17,19	43,40
Total ..	**236,96**	**234,83**	**236,02**	**233,96**	**262,29**	**262,00**	**209,91**	**211,29**	**231,25**	**226,64**	**268,38**	**265,34**

(B) Remittances * through the Imperial Bank of India

[(Lakhs of Rupees)

From Offices in	To Offices in							
	1953-54				1954-55			
	Bengal Circle	Bombay Circle	Madras Circle	Total	Bengal Circle	Bombay Circle	Madras Circle	Total
Bengal Circle	409,59	160,63	33,51	**603,73**	450,57	154,53	36,89	**641,99**
Bombay Circle ..	124,10	311,41	37,26	**472,77**	116,93	339,10	42,19	**498,22**
Madras Circle	27,75	51,70	188,80	**268,25**	36,51	57,56	189,53	**283,60**
Total	**561,44**	**523,74**	**259,57**	**1,344,75**	**604,01**	**551,19**	**268,61**	**1,423,81**

Note.—Figures relate to the Indian Union.
* Telegraphic Transfers paid, Mail Transfers received, Drafts paid and Demand Drafts purchased.

(C) Remittances effected between the Reserve Bank of India, the Imperial Bank of India and Treasury Agencies

(Rupees in Lakhs)

	Half year ended September 30, 1953				Half year ended March 31, 1954				Half year ended September 30, 1954			
	Telegraphic Transfers		Drafts and Mail Transfers		Telegraphic Transfers		Drafts and Mail Transfers		Telegraphic Transfers		Drafts and Mail Transfers	
	No.	Amount	No.	Amount	No.	Amount	No.	Amount	No.	Amount	No.	Amount
The General Public	21,160	57,22	3,56,609	75,92	22,634	57,18	3,77,326	81,02	23,117	56,35	4,15,326	86,32
Scheduled Banks :												
At par	12,689	374,49	5,448	13,77	11,855	352,78	8,89	12,50	14,383	387,05	952	11,95
At a premium	10,009	83,97	25,939	24,39	11,444	118,85	26,021	21,89	10,809	94,18	25,922	25,66
Approved Non-Scheduled Banks and Indigenous Bankers	931	4,80	4,247	3,84	746	8,62	5,028	3,80	477	4,86	5,002	4,38
Co-operative Banks and Societies :												
At par	225	3,45	392	2,49	210	3,44	350	1,94	296	5,90	277	2,29
At a premium	1,663	5,40	20,728	16,21	1,621	7,41	22,539	16,08	1,405	6,29	23,008	17,50
Local Funds at a premium	81	2	3,663	70	65	3	3,130	59	8	*	2,637	34
Other Remittances at par	2,927	25,06	1,60,306	56,19	3,116	32,45	1,68,509	60,48	3,475	36,28	1,70,361	80,12
Government :												
Intra-State at par	1,036	10,09	1,83,829	44,36	1,964	7,48	2,34,692	71,20	1,390	4,05	2,09,268	42,63
Extra-State at a premium	519	1,13	28,177	10,27	410	1,70	48,332	13,56	328	79	34,477	8,57
Total	**51,240**	**565,62**	**7,89,338**	**248,13**	**54,065**	**589,92**	**8,86,816**	**283,06**	**55,688**	**595,75**	**8,87,230**	**279,76**

Note :—Figures relate to the Indian Union. * Less than Rs. 50,000

STATEMENT 31

Encashment of Foreign Circle Notes, 1954-55

(Lakhs of Rupees)

	Cashed at					
	Bombay	**Calcutta**	**Delhi**	**Kanpur**	**Madras**	**Total**
Bombay		5,89	8,63	4,76	11,52	**30,80**
Calcutta	11,67		8,36	18,76	8,90	**47,69**
Delhi	3,48	1,83		3,12	1,71	**10,14**
Kanpur	3,00	1,99	4,72		55	**10,26**
Madras	5,90	1,55	1,74	1,00		**10,19**
Karachi	5,90	8	2	1	1	**6,02**
Lahore	23,23	30	16	3	1	**23,73**
Rangoon						
Total ..	**53,18**	**11,63**	**23,62**	**27,68**	**22,70**	**138,81**

STATE

Liabilities and Assets (Weekly) of

(Issue and Banking

LIABILITIES

1954-55 As at the close of	Capital and Reserves	Notes in Circulation*	Deposits: Central Government	Deposits: Other Governments	Deposits: Banks	Deposits: Others	Deposits: **Total**	Other Liabilities	**Total Liabilities or Assets**
	1	2	3	4	5	6	7	8	9
1 April 2 ..	10,00	1,207,04	63,59	38,95	42,06	44,66	**189,26**	37,69	**1,443,99**
2 ,, 9 ..	10,00	1,226,28	60,61	27,08	42,33	45,38	**175,40**	38,00	**1,449,67**
3 ,, 16 ..	10,00	1,230,00	51,33	29,60	42,14	45,38	**168,45**	37,02	**1,445,47**
4 ,, 23 ..	10,00	1,220,68	60,27	28,67	44,21	45,59	**178,74**	45,48	**1,454,90**
5 ,, 30 ..	10,00	1,217,19	86,77	28,31	40,05	45,06	**200,20**	46,96	**1,474,34**
6 May 7 ..	10,00	1,233,75	84,76	21,04	40,45	45,57	**191,82**	39,95	**1,475,51**
7 ,, 14 ..	10,00	1,228,83	89,12	20,74	43,99	45,73	**199,59**	45,95	**1,484,36**
8 ,, 21 ..	10,00	1,215,56	97,59	20,11	44,96	46,94	**209,60**	59,01	**1,494,17**
9 ,, 28 ..	10,00	1,202,92	101,08	20,55	43,79	46,16	**211,59**	71,48	**1,495,99**
10 June 4 ..	10,00	1,211,54	103,89	19,54	40,10	45,66	**209,19**	62,46	**1,493,20**
11 ,, 11 ..	10,00	1,208,60	106,63	15,41	43,50	46,14	**211,67**	65,15	**1,495,43**
12 ,, 18 ..	10,00	1,190,33	115,37	18,80	44,17	41,84	**220,17**	64,29	**1,484,80**
13 ,, 25 ..	10,00	1,174,49	116,47	20,31	45,05	41,91	**223,74**	65,99	**1,474,22**
14 July 2 ..	10,00	1,176,69	116,55	23,84	42,65	35,92	**218,96**	63,05	**1,468,69**
15 ,, 9 ..	10,00	1,178,89	114,50	19,52	44,12	37,01	**215,14**	62,34	**1,466,37**
16 ,, 16 ..	10,00	1,166,76	120,18	19,78	47,42	36,76	**224,15**	59,40	**1,460,31**
17 ,, 23 ..	10,00	1,153,48	124,55	17,99	50,22	36,54	**229,30**	58,94	**1,451,72**
18 ,, 30 ..	10,00	1,142,74	129,89	20,86	49,70	36,56	**237,02**	71,07	**1,460,82**
19 August 6 ..	10,00	1,157,62	122,33	15,46	50,40	35,85	**224,04**	56,05	**1,447,72**
20 ,, 13 ..	10,00	1,158,31	124,32	12,28	50,96	36,27	**223,82**	57,31	**1,449,44**
21 ,, 20 ..	10,00	1,146,42	121,11	13,71	60,02	34,04	**228,88**	59,68	**1,444,99**
22 ,, 27 ..	10,00	1,137,35	138,09	17,11	64,65	33,86	**253,71**	54,02	**1,455,08**
23 September 3 ..	10,00	1,149,51	132,75	14,83	64,82	34,55	**246,96**	41,97	**1,448,44**
24 ,, 10 ..	10,00	1,161,27	135,16	11,16	59,24	34,58	**240,15**	30,61	**1,442,02**
25 ,, 17 .	10,00	1,151,03	142,62	12,99	61,49	34,02	**251,13**	43,46	**1,455,61**
26 ,, 24 ..	10,00	1,147,14	141,20	14,49	62,59	34,01	**252,30**	45,36	**1,454,79**
27 October 1 ..	10,00	1,155,04	108,92	35,57	61,40	34,59	**240,47**	39,05	**1,444,57**
28 ,, 8 ..	10,00	1,173,22	102,53	27,50	59,93	34,05	**224,01**	29,82	**1,437,05**
29 ,, 15 ..	10,00	1,162,05	98,27	30,18	68,74	34,00	**231,18**	41,68	**1,444,90**
30 ,, 22 ..	10,00	1,157,01	98,98	26,02	70,54	34,31	**229,85**	48,17	**1,445,03**
31 ,, 29 ..	10,00	1,161,94	103,46	22,51	66,30	34,29	**226,55**	42,59	**1,441,08**
32 November 5 ..	10,00	1,168,62	93,17	17,93	68,77	34,01	**213,89**	34,30	**1,426,81**
33 ,, 12 ..	10,00	1,172,28	93,52	17,65	67,35	34,64	**213,16**	31,07	**1,426,50**
34 ,, 19 ..	10,00	1,166,06	82,74	14,39	78,55	34,76	**210,44**	40,89	**1,427,39**
35 ,, 26 ..	10,00	1,161,89	78,62	17,79	79,09	34,27	**209,77**	45,42	**1,427,08**
36 December 3 ..	10,00	1,182,37	69,66	11,82	76,29	34,34	**192,12**	33,84	**1,418,33**
37 ,, 10 ..	10,00	1,212,05	67,80	7,73	65,66	34,59	**175,78**	37,21	**1,435,05**
38 ,, 17 ..	10,00	1,199,56	62,76	11,64	67,57	34,66	**176,63**	48,46	**1,434,65**
39 ,, 24 ..	10,00	1,195,62	62,53	13,72	66,92	34,23	**177,41**	51,93	**1,434,96**
40 ,, 31 ..	10,00	1,200,49	54,89	16,74	69,13	34,39	**175,15**	46,82	**1,432,45**
41 January 7 ..	10,00	1,219,29	52,96	11,10	63,83	34,40	**162,29**	36,46	**1,428,03**
42 ,, 14 ..	10,00	1,224,51	55,47	13,94	60,32	33,85	**163,58**	32,61	**1,430,70**
43 ,, 21 ..	10,00	1,219,47	53,36	16,18	63,64	33,74	**166,92**	38,20	**1,434,58**
44 ,, 28 ..	10,00	1,217,72	54,03	20,77	58,14	34,06	**166,99**	40,07	**1,434,78**
45 February 4 ..	10,00	1,231,82	48,84	19,36	54,89	34,16	**157,24**	36,25	**1,435,31**
46 ,, 11 ..	10,00	1,242,57	52,58	11,08	48,78	34,03	**146,47**	37,37	**1,436,41**
47 ,, 18 ..	10,00	1,241,16	51,74	14,12	51,08	34,07	**151,01**	40,20	**1,442,37**
48 ,, 25 ..	10,00	1,241,99	51,87	22,68	48,36	34,32	**157,23**	40,56	**1,449,78**
49 March 4 ..	10,00	1,265,56	52,61	18,65	46,14	22,08	**139,47**	37,21	**1,452,24**
50 ,, 11 ..	10,00	1,281,19	55,22	18,51	48,47	21,68	**143,88**	39,31	**1,474,38**
51 ,, 18 ..	10,00	1,277,18	67,95	53,42	47,72	22,08	**191,17**	45,28	**1,523,63**
52 ,, 25 ..	10,00	1,277,09	59,45	60,27	47,72	21,53	**188,97**	45,78	**1,521,84**

* Including Rs. 43 crores of India notes retired from circulation in Pakistan and awaiting cancellation.

THE RESERVE BANK OF INDIA, 1954-55

Departments Combined)

ASSETS (Lakhs of Rupees)

Gold Coin and Bullion**	Foreign Assets†	Rupee Coin††	Notes	Rupee Securities	Loans and Advances to Governments	Other Loans and Advances	Bills Purchased and Discounted	Other Assets	
10	11	12	13	14	15	16	17	18	
40,02	754,19	98,37	10,63	487,17	1,01	32,30	11,93	8,96	1
40,02	752,92	97,73	10,67	486,33	1,66	30,60	14,75	9,00	2
40,02	752,33	97,71	6,94	485,99	98	37,90	14,58	9,02	3
40,02	751,86	98,22	16,76	484,99	1,65	39,31	13,00	9,09	4
40,02	752,20	98,38	20,40	488,03	75	53,94	11,22	9,41	5
40,02	753,40	96,69	12,14	487,92	85	63,99	11,06	9,44	6
40,02	755,53	96,46	16,76	490,84	1,71	63,11	10,46	9,48	7
40,02	753,45	96,79	30,31	496,92	1,05	56,22	9,96	9,46	8
40,02	751,15	97,17	43,28	496,87	87	48,02	8,96	9,64	9
40,02	750,50	96,29	33,90	506,65	1,47	45,56	9,10	9,71	10
40,02	750,62	96,15	36,71	506,62	1,18	43,81	10,65	9,67	11
40,02	746,69	97,22	36,01	506,49	1,43	37,41	9,79	9,75	12
40,02	743,55	98,52	38,17	506,38	1,07	29,56	6,73	10,23	13
40,02	746,91	98,74	36,28	512,52	17	23,81	2,58	7,67	14
40,02	746,24	98,95	34,31	512,47	20	24,88	1,52	7,77	15
40,02	743,18	100,05	32,46	514,42	—	20,42	1,89	7,87	16
40,02	737,60	101,87	32,54	515,95	—	14,48	1,39	7,88	17
40,02	732,22	103,04	44,40	516,05	—	15,60	1,43	8,07	18
40,02	732,98	102,22	28,83	515,77	46	18,38	2,01	7,04	19
40,02	732,02	102,88	28,73	515,15	1,89	18,08	3,52	7,14	20
40,02	730,98	103,92	31,62	513,47	1,83	15,55	3,08	4,51	21
40,02	728,57	105,17	41,94	512,95	1,47	15,41	3,45	6,10	22
40,02	729,73	104,98	29,69	515,86	1,34	16,30	4,18	6,33	23
40,02	730,96	104,51	17,41	516,63	1,45	18,78	5,83	6,43	24
40,02	732,32	105,61	28,72	516,60	64	18,43	6,81	6,46	25
40,02	730,54	106,72	30,20	513,23	92	18,63	8,05	6,49	26
40,02	731,69	106,78	22,49	515,23	—	18,02	3,64	6,70	27
40,02	729,25	106,01	13,49	515,16	1,61	19,59	5,23	6,69	28
40,02	728,65	106,35	24,94	515,35	54	17,55	4,76	6,74	29
40,02	726,19	106,99	30,58	514,22	50	15,82	3,94	6,76	30
40,02	725,39	106,69	25,33	512,81	69	18,71	3,50	7,94	31
40,02	726,31	105,52	17,62	512,45	59	14,25	1,98	8,07	32
40,02	726,79	105,52	13,90	512,43	1,79	14,29	3,68	8,09	33
40,02	726,75	106,50	21,06	505,74	2,32	13,36	3,43	8,22	34
40,02	721,05	107,37	26,03	505,56	94	13,20	4,45	8,46	35
40,02	722,77	106,02	14,33	504,74	80	14,59	6,06	8,99	36
40,02	732,55	104,88	13,45	504,88	2,67	20,37	7,08	9,13	37
40,02	733,41	105,33	26,38	494,16	1,92	15,12	9,13	9,19	38
40,02	730,16	105,89	30,88	493,53	1,61	13,17	10,11	9,59	39
40,02	730,79	105,92	26,01	493,09	1,67	21,29	4,01	9,65	40
40,02	730,05	104,46	15,80	502,18	2,75	18,33	4,75	9,68	41
40,02	729,77	104,40	10,44	509,55	2,73	20,00	4,03	9,76	42
40,02	733,29	104,64	15,69	508,25	1,77	18,64	2,45	9,83	43
40,02	729,61	104,80	17,60	507,69	79	19,96	2,55	11,76	44
40,02	734,87	104,06	12,79	507,22	95	21,26	2,21	11,93	45
40,42	732,45	103,42	11,44	511,79	1,24	21,81	2,23	12,02	46
40,02	731,74	103,51	13,04	515,99	1,20	20,47	1,89	14,52	47
40,02	728,65	103,93	12,57	514,73	91	24,19	4,48	20,29	48
40,02	731,40	102,14	7,34	513,49	1,20	28,61	7,39	20,66	49
40,02	730,88	101,32	10,73	524,01	1,20	37,44	7,90	20,89	50
40,02	732,14	101,88	15,28	557,60	52	46,32	8,71	21,16	51
40,02	730,00	102,50	15,92	553,32	45	47,87	10,37	21,39	52

** Valued at the statutory rate of Rs. 21-3-10 per tola. † Including cash and short-term securities. †† Including one rupee notes and subsidiary coin.

Liabilities and Assets of the

(Issue and Banking

As at the close of last Friday	LIABILITIES							
	Capital and Reserves	Notes in Circulation*	Deposits					Other Liabilities
			Central Government	Other Governments	Banks	Others	Total	
	1	2	3	4	5	6	7	8
1 1950-51	10,00	1,247,41	162,04	26,40	59,28	72,31	**320,03**	34,82
2 1951-52	10,00	1,141,11	180,16	25,06	46,99	65,90	**318,11**	61,72
3 1952-53	10,00	1,133,12	135,78	19,85	46,52	62,81	**264,96**	47,73
4 1953-54	10,00	1,185,92	65,77	62,59	42,41	43,76	**214,52**	42,31
5 1954-55	10,00	1,277,09	59,45	60,27	47,72	21,53	**188,97**	45,78
6 April 1953 ..	10,00	1,159,75	104,14	15,59	43,11	59,00	**221,84**	49,49
7 May „ ..	10,00	1,158,88	103,46	16,88	42,71	57,13	**220,17**	71,13
8 June „ ..	10,00	1,138,10	130,43	16,85	43,02	57,20	**247,49**	75,57
9 July „ ..	10,00	1,094,14	108,29	36,00	47,01	63,87	**255,17**	66,83
10 August „ ..	10,00	1,082,93	134,18	24,28	48,50	57,82	**264,77**	45,37
11 September „ ..	10,00	1,071,48	136,85	21,32	52,46	57,02	**267,65**	58,37
12 October „ ..	10,00	1,077,79	108,90	30,53	60,60	57,41	**257,45**	57,67
13 November „ ..	10,00	1,096,85	98,09	24,38	69,82	56,86	**249,15**	48,65
14 December „ ..	10,00	1,125,52	110,24	18,79	45,99	56,93	**231,95**	30,82
15 January 1954 ..	10,00	1,156,01	101,60	23,29	38,50	59,02	**222,41**	40,47
16 February „ ..	10,00	1,171,43	86,06	28,66	41,17	63,87	**219,75**	45,74
17 March „ ..	10,00	1,185,92	65,77	62,59	42,41	43,76	**214,52**	42,31
18 April „ ..	10,00	1,217,19	86,77	28,31	40,05	45,06	**200,20**	46,96
19 May „ ..	10,00	1,202,92	101,08	20,55	43,79	46,16	**211,59**	71,48
20 June „ ..	10,00	1,174,49	116,47	20,31	45,05	41,91	**223,74**	65,99
21 July „ ..	10,00	1,142,74	129,89	20,86	49,70	36,56	**237,02**	71,07
22 August „ ..	10,00	1,137,35	138,09	17,11	64,65	33,86	**253,71**	54,02
23 September „ ..	10,00	1,147,14	141,20	14,49	62,59	34,01	**252,30**	45,36
24 October „ —	10,00	1,161,94	103,46	22,51	66,30	34,29	**226,55**	42,59
25 November „ ..	10,00	1,161,89	78,62	17,79	79,09	34,27	**209,77**	45,42
26 December „ —	10,00	1,200,49	54,89	16,74	69,13	34,39	**175,15**	46,82
27 January 1955 ..	10,00	1,217,72	54,03	20,77	58,14	34,06	**166,99**	40,07
28 February „ ..	10,00	1,241,99	51,87	22,68	48,36	34,32	**157,23**	40,56
29 March „ ..	10,00	1,277,09	59,45	60,27	47,72	21,53	**188,97**	45,78

Note.—Figures from October 1951 are net of adjustments made in respect of India notes returned from circulation in Aden.
* Including of Rs. 43 crores of India notes retired from circulation in Pakistan and awaiting cancellation.

MENT 33

Reserve Bank of India (Annual and Monthly)

Departments Combined) (Lakhs of Rupees)

Total Liabilities or Assets	ASSETS: Gold Coin and Bullion†	Foreign Assets‡	Rupee Coin*	Notes	Rupee Securities	Loans and Advances to Governments	Other Loans and Advances	Bills purchased and Discounted	Other Assets	
9	10	11	12	13	14	15	16	17	18	
1,612,27	40,02	884,18	54,51	11,72	585,83	1,56	16,75	8,21	9,50	*1*
1,530,94	40,02	723,07	69,29	35,82	566,73	94	61,37	3,72	29,99	*2*
1,455,80	40,02	723,68	82,32	17,03	545,98	3,30	26,95	8,80	7,72	*3*
1,452,76	40,02	752,97	93,97	17,23	487,50	51	41,10	10,74	8,72	*4*
1,521,84	40,02	730,00	102,50	15,92	553,32	45	47,87	10,37	21,39	*5*
1,441,09	40,02	716,43	87,81	15,90	536,20	3,97	19,94	12,72	8,10	*6*
1,460,18	40,02	710,78	87,90	31,84	538,03	3,33	25,61	14,00	8,67	*7*
1,471,16	40,02	713,18	91,72	36,46	540,46	3,43	22,28	14,28	9,33	*8*
1,426,14	40,02	703,94	92,64	46,30	513,83	2,50	11,82	8,07	7,02	*9*
1,403,08	40,02	699,40	94,50	34,41	512,55	41	10,73	4,82	6,25	*10*
1,407,50	40,02	698,95	96,71	44,57	507,80	—	11,48	1,72	6,25	*11*
1,402,91	40,02	700,31	98,18	39,71	505,58	5	10,71	1,59	6,77	*12*
1,404,66	40,02	709,71	97,74	30,19	502,53	1,37	11,01	5,00	7,09	*13*
1,398,30	40,02	722,61	96,57	10,37	496,10	1,84	11,83	11,35	7,60	*14*
1,428,89	40,02	734,32	95,09	18,37	493,85	—	23,93	15,19	8,11	*15*
1,446,92	40,02	744,97	94,50	22,28	492,82	1,11	32,02	10,70	8,51	*16*
1,452,76	40,02	752,97	93,97	17,23	487,50	51	41,10	10,74	8,72	*17*
1,474,34	40,02	752,20	98,38	20,40	488,03	75	53,94	11,22	9,41	*18*
1,495,99	40,02	751,15	97,17	43,28	496,87	87	48,02	8,96	9,64	*19*
1,474,22	40,02	743,55	98,52	38,17	506,38	1,07	29,56	6,73	10,23	*20*
1,460,82	40,02	732,22	103,04	44,40	516,05	—	15,60	1,43	8,07	*21*
1,455,08	40,02	728,57	105,17	41,94	512,95	1,47	15,41	3,45	6,10	*22*
1,454,79	40,02	730,54	106,72	30,20	513,23	92	18,63	8,05	6,49	*23*
1,441,08	40,02	725,39	106,69	25,33	512,81	69	18,71	3,50	7,94	*24*
1,427,08	40,02	721,05	107,37	26,03	505,56	94	13,20	4,45	8,46	*25*
1,432,45	40,02	730,79	105,92	26,01	493,09	1,67	21,29	4,01	9,65	*26*
1,434,78	40,02	729,61	104,80	17,60	507,69	79	19,96	2,55	11,76	*27*
1,449,78	40,02	728,65	103,93	12,57	514,73	91	24,19	4,48	20,29	*28*
1,521,84	40,02	730,00	102,50	15,92	553,32	45	47,87	10,37	21,39	*29*

† Valued at the statutory rate of Rs. 21-3-10 per tola.
‡ Including cash and short-term securities.
* Including subsidiary coin and one rupee notes.

STATEMENT 34

Reserve Bank of India : Issue Department
Weekly Statement of Assets and Liabilities, 1954-55

(Lakhs of Rupees)

1954-55 As at the close of		LIABILITIES: Notes in Circulation†	Notes held in the Banking Department	**Total Liabilities** (Total Notes Issued†) **or Assets**	ASSETS: Gold Coin and Bullion*	Foreign Securities	Rupee Coin††	Rupee Securities	Percentage of 4+5 to 3
		1	2	3	4	5	6	7	8
April	2	1,207,04	10,63	**1,217,67**	40,02	658,15	98,16	421,34	*57·34*
„	9	1,226,28	10,67	**1,236,95**	40,02	678,15	97,44	421,34	*58·06*
„	16	1,230,00	6,94	**1,236,94**	40,02	678,15	97,44	421,34	*58·06*
„	23	1,220,68	16,76	**1,237,44**	40,02	678,15	97,94	421,34	*58·04*
„	30	1,217,19	20,40	**1,237,58**	40,02	678,15	98,08	421,34	*58·03*
May	7	1,233,75	12,14	**1,245,89**	40,02	688,15	96,49	421,22	*58·45*
„	14	1,228,83	16,76	**1,245,58**	40,02	688,15	96,19	421,22	*58·46*
„	21	1,215,56	30,31	**1,245,86**	40,02	688,15	96,47	421,22	*58·45*
„	28	1,202,92	43,28	**1,246,21**	40,02	688,15	96,81	421,22	*58·43*
June	4	1,211,54	33,90	**1,245,44**	40,02	688,15	96,05	421,22	*58·47*
„	11	1,208,60	36,71	**1,245,32**	40,02	688,15	95,93	421,22	*58·47*
„	18	1,190,33	36,01	**1,226,34**	40,02	668,15	96,95	421,22	*57·75*
„	25	1,174,49	38,17	**1,212,65**	40,02	653,15	98,26	421,22	*57·16*
July	2	1,176,69	36,28	**1,212,96**	40,02	653,15	98,57	421,22	*57·15*
„	9	1,178,89	34,31	**1,213,20**	40,02	653,15	98,81	421,22	*57·14*
„	16	1,166,76	32,46	**1,199,22**	40,02	638,15	99,83	421,22	*56·55*
„	23	1,153,48	32,54	**1,186,02**	40,02	623,15	101,62	421,22	*56·92*
„	30	1,142,74	44,40	**1,187,13**	40,02	623,15	102,74	421,22	*55·86*
August	6	1,157,62	28,83	**1,186,46**	40,02	623,15	102,07	421,22	*55·89*
„	13	1,158,31	28,73	**1,187,04**	40,02	623,15	102,65	421,22	*55·87*
„	20	1,146,42	31,62	**1,178,04**	40,02	613,15	103,65	421,22	*55·45*
„	27	1,137,35	41,94	**1,179,29**	40,02	613,15	104,90	421,22	*55·39*
September	3	1,149,51	29,69	**1,179,20**	40,02	613,15	104,81	421,22	*55·39*
„	10	1,161,27	17,41	**1,178,68**	40,02	613,15	104,29	421,22	*55·42*
„	17	1,151,03	28,72	**1,179,74**	40,02	613,15	105,35	421,22	*55·37*
„	24	1,147,14	30,20	**1,177,33**	40,02	613,15	106,42	417,75	*55·48*
October	1	1,155,04	22,49	**1,177,54**	40,02	613,15	106,62	417,75	*55·47*
„	8	1,173,22	13,49	**1,186,71**	40,02	623,15	105,79	417,75	*55·88*
„	15	1,162,05	24,94	**1,186,99**	40,02	623,15	106,07	417,75	*55·87*
„	22	1,157,01	30,58	**1,187,59**	40,02	623,15	106,67	417,75	*55·84*
„	29	1,161,94	25,33	**1,187,27**	40,02	623,15	106,35	417,75	*55·86*
November	5	1,168,62	17,62	**1,186,25**	40,02	623,15	105,33	417,75	*55·90*
„	12	1,172,28	13,90	**1,186,18**	40,02	623,15	105,26	417,75	*55·91*
„	19	1,166,06	21,06	**1,187,12**	40,02	623,15	106,20	417,75	*55·86*
„	26	1,161,89	26,03	**1,187,93**	40,02	623,15	107,01	417,75	*55·83*
December	3	1,182,37	14,33	**1,196,71**	40,02	633,15	105,79	417,75	*56·25*
„	10	1,212,05	13,45	**1,225,51**	40,02	663,15	104,59	417,75	*57·38*
„	17	1,199,56	26,38	**1,225,95**	40,02	663,15	105,03	417,75	*57·36*
„	24	1,195,62	30,88	**1,226,51**	40,02	663,15	105,59	417,75	*57·33*
„	31	1,200,49	26,01	**1,226,50**	40,02	663,15	105,58	417,75	*57·33*
January	7	1,219,29	15,80	**1,235,09**	40,02	663,15	104,24	427,69	*56·93*
„	14	1,224,51	10,44	**1,234,95**	40,02	653,21	104,09	437,63	*56·13*
„	21	1,219,47	15,69	**1,235,16**	40,02	653,21	104,30	437,63	*56·12*
„	28	1,217,72	17,60	**1,235,32**	40,02	653,21	104,46	437,63	*56·12*
February	4	1,231,82	12,79	**1,244,61**	40,02	663,15	103,82	437,63	*56·50*
„	11	1,242,57	11,44	**1,254,01**	40,02	663,15	103,10	447,74	*56·07*
„	18	1,241,16	13,04	**1,254,19**	40,02	663,15	103,29	447,74	*56·07*
„	25	1,241,99	12,57	**1,254,56**	40,02	663,15	103,66	447,74	*56·05*
March	4	1,265,56	7,34	**1,272,91**	40,02	673,15	102,00	457,74	*56·03*
„	11	1,281,19	10,73	**1,291,92**	40,02	678,15	101,11	472,64	*55·59*
„	18	1,277,18	15,28	**1,292,45**	40,02	643,37	101,64	507,43	*52·88*
„	25	1,277,09	15,92	**1,293,02**	40,02	646,85	102,20	503,95	*53·12*

†Including Rs. 43 crores of India notes retired from circulation in Pakistan and awaiting cancellation.
* Valued at the statutory rate of Rs. 21-3-10 per tola. †† Including one rupee notes.

STATEMENT 35

Reserve Bank of India : Issue Department (Annual and Monthly)

(Lakhs of Rupees)

Average of Friday Figures	LIABILITIES: Notes in Circulation*	LIABILITIES: Notes held in the Banking Department	**Total Liabilities** (Total Notes* Issued) **or Assets**	ASSETS: Gold Coin and Bullion†	ASSETS: Foreign Securities	ASSETS: Rupee Coin**	ASSETS: Rupee Securities	ASSETS: *4+5 as percentage of (3)*
	1	2	3	4	5	6	7	8
1950-51	1,163,21	17,19	**1,180,40**	40,02	624,70	57,21	458,47	*56·31*
1951-52	1,189,84	27,78	**1,217,62**	40,02	625,27	63,98	488,36	*54·64*
1952-53	1,114,84	27,87	**1,142,72**	40,02	564,40	80,22	458,08	*52·89*
1953-54	1,133,95	23,03	**1,156,97**	40,02	594,02	92,83	430,11	*54·80*
1954-55	1,196,19	22,98	**1,219,18**	40,02	648,81	102,26	428,09	*56·50*
April 1954	1,220,24	13,08	**1,233,32**	40,02	674,15	97,81	421,34	*57·91*
May ,, ...	1,220,26	25,62	**1,245,88**	40,02	688,15	96,49	421,22	*58·45*
June ,, ...	1,196,24	36,20	**1,232,44**	40,02	674,40	96,80	421,22	*57·96*
July ,, ...	1,163,71	36,00	**1,199,71**	40,02	638,15	100,31	421,22	*56·53*
August ,, ...	1,149,92	32,78	**1,182,71**	40,02	618,15	103,31	421,22	*55·65*
September ,, ...	1,152,23	26,50	**1,178,74**	40,02	613,15	105,22	420,35	*55·41*
October ,, ...	1,161,85	23,37	**1,185,22**	40,02	621,15	106,30	417,75	*55·78*
November ,, ...	1,167,21	19,65	**1,186,87**	40,02	623,15	105,95	417,75	*55·88*
December ,, ...	1,198,02	22,21	**1,220,23**	40,02	657,15	105,32	417,75	*57·13*
January 1955	1,220,25	14,88	**1,235,13**	40,02	655,70	104,27	435,14	*56·33*
February ,, ...	1,239,39	12,46	**1,251,85**	40,02	663,15	103,47	445,21	*56·17*
March ,, ...	1,275,26	12,32	**1,287,57**	40,02	660,38	101,74	485,44	*54·40*

Note.—Figures from October 1951 are net of adjustments made in respect of India notes returned from circulation in Aden.

* Including Rs. 43 crores of India notes retired from circulation in Pakistan and awaiting cancellation.

† Valued at the statutory rate of Rs. 21-3-10 per tola.

** Including one rupee notes.

STATEMENT 36

Reserve Bank of India : Banking Department

Weekly Statement of Assets and Liabilities, 1954-55

(Lakhs of Rupees)

1954-55 As at the close of	Liabilities: Deposits: Central Government	Deposits: Other Governments	Deposits: Banks	Deposits: Others	Deposits: **Total**	Other Liabilities	**Total Liabilities* or Assets**	Assets: Notes and Coin	Balances held abroad†	Loans and Advances to Governments	Other Loans and Advances	Bills Purchased and Discounted	Investments	Other Assets
	1	2	3	4	5	6	7	8	9	10	11	12	13	14
April 2	63,59	38,95	42,06	44,66	**189,26**	27,06	**226,32**	10,84	96,04	1,01	32,30	11,33	65,84	8,96
" 9	60,61	27,08	42,33	45,38	**175,40**	27,33	**212,72**	10,96	74,77	1,66	36,60	14,75	64,99	9,00
" 16	51,33	29,60	42,14	45,38	**168,45**	30,08	**208,53**	7,21	74,18	98	37,90	14,58	64,65	9,02
" 23	60,27	28,67	44,21	45,59	**178,74**	28,72	**217,46**	17,04	73,71	1,65	39,31	13,00	63,65	9,09
" 30	86,77	28,31	40,05	45,06	**200,20**	26,56	**236,76**	20,70	74,05	75	53,94	11,22	66,70	9,41
May 7	84,76	21,04	40,45	45,57	**191,82**	27,81	**229,63**	12,34	65,25	85	63,99	11,06	66,69	9,44
" 14	86,12	20,74	43,99	45,73	**199,59**	29,19	**238,78**	17,02	67,38	1,71	63,11	10,46	69,62	9,48
" 21	97,59	20,11	44,96	46,94	**209,60**	28,70	**248,30**	30,62	65,30	1,05	56,22	9,96	75,70	9,46
" 28	101,08	20,55	43,79	46,16	**211,59**	28,19	**249,78**	43,64	63,00	87	48,02	8,96	75,65	9,64
June 4	103,89	19,54	40,10	45,66	**209,19**	28,57	**247,76**	34,13	62,35	1,47	45,56	9,10	85,43	9,71
" 11	106,63	15,41	43,50	46,14	**211,67**	28,43	**250,11**	36,94	62,47	1,18	43,81	10,65	85,39	9,67
" 18	115,37	18,80	44,17	41,84	**220,17**	28,29	**258,46**	36,27	78,54	1,43	37,41	9,79	85,27	9,75
" 25	116,47	20,31	45,05	41,91	**223,74**	27,82	**261,56**	38,43	90,40	1,07	29,56	6,73	85,15	10,23
July 2	116,55	23,84	42,65	35,92	**218,96**	26,77	**255,73**	36,44	93,76	17	23,81	2,58	91,29	7,67
" 9	114,50	19,52	44,12	37,01	**215,14**	28,03	**253,17**	34,45	93,09	20	24,88	1,52	91,25	7,77
" 16	120,18	19,78	47,42	36,76	**224,15**	26,94	**261,09**	32,68	105,03	—	20,42	1,89	93,19	7,87
" 23	124,55	17,99	50,22	36,54	**229,30**	26,40	**265,70**	32,78	114,44	—	14,48	1,39	94,72	7,88
" 30	129,89	20,86	49,70	36,56	**237,02**	26,67	**273,69**	44,69	109,07	—	15,60	1,43	94,83	8,07
August 6	122,33	15,46	50,40	35,85	**224,04**	27,22	**261,26**	28,99	109,82	46	18,38	2,01	94,55	7,04
" 13	124,32	12,28	50,96	36,27	**223,82**	28,58	**262,40**	28,97	108,87	1,89	18,08	3,52	93,93	7,14
" 20	121,11	13,71	60,02	34,04	**228,88**	28,06	**266,94**	31,89	117,83	1,83	15,55	3,08	92,24	4,51
" 27	138,09	17,11	64,65	33,86	**253,71**	12,08	**275,79**	42,21	115,42	1,47	15,41	3,45	91,73	6,10

September	3	132,75	14,83	64,82	34,55	**246,96**	12,27	**269,23**	29,86	116,58	1,34	16,30	4,18	94,64	6,33
,,	10	135,16	11,16	59,24	34,58	**240,15**	13,20	**263,35**	17,64	117,81	1,45	18,78	5,83	95,41	6,43
,,	17	142,62	12,99	61,49	34,02	**251,13**	14,74	**275,87**	28,97	119,17	64	18,43	6,81	95,38	6,46
,,	24	141,20	14,49	62,59	34,01	**252,30**	15,16	**277,46**	30,50	117,39	92	18,63	8,05	95,49	6,49
October	1	108,92	35,57	61,40	34,59	**240,47**	16,56	**267,03**	22,65	118,54	—	18,02	3,64	97,48	6,70
,,	8	102,53	27,50	59,93	34,05	**224,01**	16,33	**250,34**	13,71	106,10	1,61	19,59	5,23	97,42	6,69
,,	15	98,27	30,18	68,74	34,00	**231,18**	16,74	**257,91**	25,22	105,50	54	17,55	4,76	97,60	6,74
,,	22	98,98	26,02	70,54	34,31	**229,85**	17,59	**257,44**	30,90	103,04	50	15,82	3,94	96,47	6,76
,,	29	103,46	22,51	66,30	34,29	**226,55**	17,26	**253,81**	25,67	102,24	69	18,71	3,50	95,06	7,94
November	5	93,17	17,93	68,77	34,01	**213,89**	16,67	**240,56**	17,81	103,16	59	14,25	1,98	94,71	8,07
,,	12	93,52	17,65	67,35	34,64	**213,16**	17,17	**240,33**	14,16	103,63	1,79	14,29	3,68	94,68	8,09
,,	19	82,74	14,39	78,55	34,76	**210,44**	19,83	**240,28**	21,35	103,60	2,32	13,36	3,43	87,99	8,22
,,	26	78,62	17,79	79,09	34,27	**209,77**	19,38	**239,16**	26,40	97,89	94	13,20	4,45	87,82	8,46
December	3	69,66	11,82	76,29	34,34	**192,12**	19,51	**221,62**	14,57	89,62	80	14,59	6,06	86,99	8,99
,,	10	67,80	7,73	65,66	34,59	**175,78**	23,76	**209,54**	13,75	69,40	2,67	20,37	7,08	87,13	9,13
,,	17	62,76	11,64	67,57	34,66	**176,63**	22,08	**208,71**	26,68	70,26	1,92	15,12	9,13	76,41	9,19
,,	24	62,53	13,72	66,92	34,23	**177,41**	21,05	**208,46**	31,18	67,01	1,61	13,17	10,11	75,78	9,59
,,	31	54,89	16,74	69,13	34,39	**175,15**	20,81	**205,95**	26,35	67,64	1,67	21,29	4,01	75,34	9,65
January	7	52,96	11,10	63,83	34,40	**162,29**	20,65	**192,94**	16,03	66,90	2,75	18,33	4,75	74,50	9,68
,,	14	55,47	13,94	60,32	33,85	**163,58**	22,17	**195,75**	10,75	76,56	2,73	20,00	4,03	71,93	9,76
,,	21	53,36	16,18	63,64	33,74	**166,92**	22,50	**199,42**	16,03	80,08	1,77	18,64	2,45	70,63	9,83
,,	28	54,03	20,77	58,14	34,06	**166,99**	22,47	**199,46**	17,94	76,40	79	19,96	2,55	70,07	11,76
February	4	48,84	19,36	54,89	34,16	**157,24**	23,46	**190,70**	13,03	71,72	95	21,26	2,22	69,59	11,93
,,	11	52,58	11,08	48,78	34,03	**146,47**	25,93	**182,40**	11,76	69,30	1,24	21,81	2,23	64,05	12,02
,,	18	51,74	14,12	51,08	34,07	**151,01**	27,17	**188,18**	13,26	68,59	1,20	20,47	1,89	68,25	14,52
,,	25	51,87	22,68	48,36	34,32	**157,23**	27,99	**195,22**	12,84	65,50	91	24,19	4,48	66,99	20,29
March	4	52,61	18,65	46,14	22,08	**139,48**	29,87	**179,34**	7,48	58,25	1,20	28,61	7,39	55,75	20,66
,,	11	55,22	18,51	48,47	21,68	**143,88**	28,58	**182,46**	10,94	52,73	1,20	37,44	7,90	51,36	20,89
,,	18	67,95	53,42	47,72	22,08	**191,17**	30,00	**231,17**	15,52	88,77	52	46,32	8,71	50,17	21,16
,,	25	59,45	60,27	47,72	21,53	**188,97**	29,86	**228,83**	16,22	83,15	45	47,87	10,37	49,38	21,39

* Including capital and reserves, Rs. 10 corres.

† Including cash and short-term securities.

STATEMENT 37

Reserve Bank of India : Banking Department (Annual and Monthly)

(Lakhs of Rupees)

Average of Friday figures	LIABILITIES: Deposits: Central Government	Other Governments	Banks	Others	**Total**	Other Liabilities	**Total Liabilities* or Assets**	ASSETS: Notes and Coin	Balances held abroad†	Loans and Advances to Governments	Other Loans and Advances	Bills Purchased and Discounted	Investments	Other Assets
	1	2	3	4	5	6	7	8	9	10	11	12	13	14
1950-51	148,60	17,71	62,22	62,29	**290,82**	18,14	**318,97**	17,31	207,70	2,37	6,77	3,05	76,72	5,06
1951-52	181,30	15,95	58,68	69,22	**325,15**	18,62	**353,77**	27,92	187,14	5,90	19,42	6,31	95,19	11,91
1952-53	136,40	7,79	52,89	61,93	**259,02**	23,69	**292,71**	28,03	133,56	2,85	19,03	6,64	89,77	12,83
1953-54	105,44	23,40	46,52	57,45	**232,80**	23,91	**266,72**	23,22	123,31	1,78	19,84	9,46	81,58	7,51
1954-55	89,13	20,66	55,20	36,29	**201,28**	23,62	**234,90**	23,24	87,53	1,14	26,55	6,10	80,52	9,82
April 1954 ..	64,51	30,52	42,16	45,21	**182,41**	27,95	**220,36**	13,35	78,55	1,21	40,01	12,98	65,17	9,09
May ,, ..	93,14	20,61	43,30	46,10	**203,15**	28,47	**241,62**	25,90	65,23	1,12	57,83	10,11	71,91	9,51
June ,, ..	110,59	18,51	43,20	43,89	**216,19**	28,28	**254,47**	36,44	73,44	1,29	39,08	9,07	85,31	9,84
July ,, ..	121,13	20,40	46,82	36,56	**224,91**	26,96	**261,88**	36,21	103,08	7	19,84	1,76	93,06	7,85
August ,, ..	126,46	14,64	56,51	35,00	**232,61**	23,99	**266,60**	33,01	112,99	1,41	16,86	3,02	93,11	6,20
September ,, ..	137,93	13,37	62,04	34,29	**247,63**	13,84	**271,48**	26,74	117,74	1,09	18,04	6,22	95,23	6,43
October ,, ..	102,43	28,35	65,38	34,25	**230,41**	16,89	**257,31**	23,63	107,09	67	17,94	4,22	96,81	6,97
November ,, ..	87,02	16,94	73,44	34,42	**211,82**	18,26	**240,08**	19,93	102,07	1,41	13,78	3,38	91,30	8,21
December ,, ..	63,53	12,33	69,12	34,44	**179,42**	21,44	**210,86**	22,50	72,79	1,73	16,91	7,28	80,33	9,31
January 1955 ..	53,95	15,50	61,48	34,01	**164,94**	21,95	**196,89**	15,19	74,98	2,01	19,23	3.44	71,78	10,26
February ,, ..	51,26	16,81	50,78	34,14	**152,99**	26,13	**189,12**	12,72	68,78	1,08	21,93	2,70	67,22	14,69
March ,, ..	58,81	37,71	47,51	21,84	**165,87**	29,58	**205,45**	12,54	70,73	84	40,06	8,60	51,67	21,02

* Including capital and reserves, Rs. 10 crores. † Including cash and short-term securities.

STATEMENT 38

Prices (in Bombay) of Government of India Securities, 1954-55

LOANS	As on Nov. 14,1951	Average† for Mar. 1954	April 1954	May 1954	June 1954	July 1954	Aug. 1954	Sept. 1954	Oct. 1954	Nov. 1954	Dec. 1954	Jan. 1955	Feb. 1955	Mar. 1955	1954-55 Highest	1954-55 Lowest	Difference of March 1955 over March 1954
	Rs. as.	Rs. as.	Rs. as.	Rs. as.	Rs. as.	Rs. as.	Rs. as.	Rs. as.	Rs. as.	Rs. as.	Rs. as.	Rs. as.	Rs. as.	Rs. as.	Rs. as.	Rs. as.	Rs. as.
Terminables :																	
Under 5 years																	
2¼% 1954*	99 1	99 3	99 5	99 8	99 10	99 13	99 13	99 13	99 13						99 13	99 4	
2½% 1955	99 8	98 8	98 9	98 9	98 12	99 7	99 9	99 8	99 8	99 8	99 8	99 10	99 10	99 10	99 10	98 9	+1 2
4½% 1955-60	106 15	102 1	102 0	101 10	101 9	101 8	101 8	101 8	101 7	101 6	101 6	101 5	101 5	101 5	102 0	101 4	—0 12
3 % 1957	99 14	98 6	98 5	98 0	98 8	98 13	98 14	98 10	98 7	98 9	98 14	99 4	99 5	99 4	99 5	97 14	+0 14
3 % 1958	99 12	98 2	98 3	97 15	98 5	98 10	98 11	98 10	98 7	98 7	98 11	99 2	99 3	99 3	99 4	97 14	+1 1
3 % 1959-61	98 6	96 4	96 8	96 2	96 6	96 13	96 11	96 9	96 7	96 7	96 12	97 3	97 5	97 5	97 6	96 0	+1 1
Between 5 and 10 years																	
2¾% 1960	95 11	93 10	93 15	93 14	94 5	94 8	94 8	94 7	94 6	94 4	94 7	94 8	94 11	94 14	94 14	93 12	+1 4
4 % 1960-70	106 10	102 1	102 3	101 10	101 13	101 14	101 14	101 13	101 12	101 11	101 11	101 13	101 14	101 14	102 4	101 8	—0 3
2½% 1961	93 11	90 11	90 15	91 1	91 3	91 7	91 8	91 8	91 6	91 4	91 5	91 9	91 10	91 10	91 10	90 13	+0 15
3½% 1961	—	99 0	99 2	98 13	98 15	99 3	99 3	99 2	98 14	98 11	99 0	99 6	99 9	99 8	99 9	98 9	+0 8
2¾% 1962	94 7	91 10	91 15	91 14	92 3	92 6	92 7	92 6	92 4	92 3	92 6	92 6	92 8	92 9	92 9	91 12	+0 15
3 % 1963-65	95 11	92 10	92 15	92 11	93 0	93 6	93 6	93 5	93 3	93 2	93 7	93 11	93 11	93 11	93 11	92 10	+1 1
3 % 1964	95 12	92 10	92 15	92 11	93 0	93 6	93 6	93 5	93 3	93 2	93 6	93 11	93 11	93 11	93 11	92 10	+1 1
3½% 1964**								98 5	98 3	97 13	98 3	98 8	98 8	98 8	98 9	97 11	
Between 10 and 15 years																	
3 % 1966-68	93 15	90 5	90 6	90 1	90 7	90 12	90 12	90 12	90 7	90 6	90 7	90 8	90 9	90 9	90 12	90 0	+0 4
Between 15 and 20 years																	
3 % 1970-75	92 13	86 9	86 12	86 2	86 10	87 2	87 3	87 2	86 15	86 14	86 14	86 14	86 15	86 15	87 4	86 0	+0 6
Over 20 years																	
2¾% 1976	89 0	82 12	82 10	82 3	82 0	82 0	82 0	82 0	82 0	82 0	82 0	82 0	82 0	82 0	82 12	82 0	—0 12
Non-Terminables :																	
3 % Conversion Loan 1986 or later	92 8	82 10	82 7	81 11	82 3	83 2	82 15	82 7	81 1	80 13	80 13	81 3	81 1	80 13	83 11	80 5	—1 13
3 % Rupee Paper	92 8	82 8	82 0	81 1	81 1	82 3	82 8	82 5	80 13	80 0	80 0	80 3	80 4	80 4	82 8	80 0	—2 4
Rupee Counterparts :																	
3½% 1954-59††	101 15	100 3	100 3	100 2	100 2	100 2	100 2	100 2	100 2	100 2	.				100 3	100 2	
4½% 1958-68	109 13	105 0	104 13	103 9	103 8	103 8	103 8	103 8	103 8	103 8	103 8	103 8	103 8	103 7	105 0	103 6	—1 9

† Average of closing quotations for working days. * Repaid on November 15, 1954. ** Issued on April 19, 1954 and was on tap till September 16, 1954.
†† Repaid on December 15, 1954.

STATE

INDEX NUMBERS OF SECURITY

(Compiled by the Department of Research

Average of weeks	GROUP INDICES: Government and Semi-Government Securities	GROUP INDICES: Debentures	GROUP INDICES: Preference Shares (Fixed Dividend)	GROUP INDICES: Variable Dividend	SUB-GROUP INDICES OF GOVERNMENT AND SEMI-GOVERNMENT SECURITIES: Government of India	SUB-GROUP INDICES OF GOVERNMENT AND SEMI-GOVERNMENT SECURITIES: States	SUB-GROUP INDICES OF GOVERNMENT AND SEMI-GOVERNMENT SECURITIES: Municipal Port Trust and Improvement Trust
	1	2	3	4	5	6	7
(Base : 1938=100)							
1 1950-51	100·0		101·0	124·2	100·1	98·7†	96·6
2 1951-52	95·8		97·2	127·8	95·9	97·6†	92·6
3 1952-53	91·7		90·8	107·3	91·8	94·9†	86·8
(Base : 1949-50=100)							
4 1952-53	90·1		87·3	94·0	89·9	96·0†	90·2
5 1953-54	90·4	101·1	87·3	95·6	90·2	95·6	89·7
6 1954-55	90·5	100·7	88·4	112·9	90·4	95·9	89·3
7 April 1953	90·5	100·9	86·3	92·9	90·3	95·6	90·3
8 May ,, ..	90·6	100·4	86·8	94·0	90·5	95·7	90·3
9 June ,, ..	90·5	100·6	87·2	94·4	90·3	95·7	90·4
10 July ,, ..	90·4	100·6	87·2	93·3	90·3	95·7	90·3
11 August ,, ..	90·3	100·7	87·9	92·6	90·1	95·6	90·2
12 September ,, ..	90·3	101·2	87·1	91·6	90·1	95·5	89·2
13 October ,, ..	90·2	101·3	87·0	93·0	90·1	95·5	89·2
14 November ,, ..	90·2	101·4	87·2	96·0	90·0	95·6	89·2
15 December ,, ..	90·3	101·6	87·8	98·1	90·1	95·6	89·2
16 January 1954	90·3	101·7	87·7	98·2	90·1	95·6	89·2
17 February ,, ..	90·3	101·6	88·0	102·0	90·2	95·7	89·3
18 March ,, ..	90·4	101·5	88·0	102·6	90·2	95·7	89·3
19 April ,, ..	90·6	101·4	88·3	103·8	90·4	95·7	89·3
20 May ,, ..	90·2	101·0	88·1	104·0	90·0	95·7	89·2
21 June ,, ..	90·3	100·9	88·5	106·9	90·2	95·7	89·2
22 July ,, ..	90·8	100·5	89·0	110·6	90·7	95·8	89·2
23 August ,, ..	90·8	100·6	89·4	117·4	90·7	95·8	89·2
24 September ,, ..	90·7	100·5	88·5	120·9	90·6	95·9	89·3
25 October ,, ..	90·4	100·5	88·4	118·2	90·2	95·8	89·3
26 November ,, ..	90·2	100·5	88·3	116·0	90·1	95·9	89·3
27 December ,, ..	90·4	100·7	88·3	113·7	90·2	95·9	89·4
28 January 1955 ..	90·6	100·7	88·4	114·9	90·4	96·0	89·4
29 February ,, ..	90·6	100·7	88·2	114·2	90·5	96·1	89·4
30 March ,, ..	90·6	100·7	87·3	115·4	90·4	96·1	89·4
31 *Percentage Variation of March 1955 over March 1954* ..	*+0·22*	*−0·79*	*−0·80*	*+12·48*	*+0·22*	*+0·42*	*+0·11*

† Part B States only.

PRICES—ALL-INDIA (ANNUAL AND MONTHLY)

and Statistics of the Reserve Bank of India)

SUB-GROUP INDICES OF DEBENTURES								SUB-GROUP INDICES OF PREFERENCE SHARES (FIXED DIVIDEND INDUSTRIAL SECURITIES)							
Electricity	Jute	Plantations	Sugar	Coal	General Engineering	Shipping	Others	Electricity	Cotton	Jute	Coal	Iron and Steel	Sugar	Paper	
8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	
								82	147	91	105	92	107	98	1
								77	140	87	107	88	107	93	2
								76	128	81	96	84	92	87	3
								94	85	86	88	93	76	84	4
103	97	100	100	90	101	102	100	98	84	86	91	92	75	87	5
102	99	100	100	91	101	101	101	96	83	88	90	91	80	87	6
103	94	100	100	90	98	101	100	98	83	85	87	94	73	81	7
103	94	100	99	90	98	102	99	97	84	85	89	94	74	85	8
103	94	100	99	90	98	102	99	98	85	85	91	93	74	86	9
103	94	100	99	90	98	102	99	98	85	86	91	92	72	87	10
103	95	100	99	90	99	102	100	99	85	86	92	94	75	87	11
103	99	100	100	91	102	103	100	99	84	86	92	90	76	90	12
103	99	100	100	91	102	103	100	99	84	86	92	89	76	90	13
103	99	100	100	91	102	103	100	100	84	86	92	90	76	88	14
103	99	100	100	91	102	103	100	99	84	87	91	90	76	89	15
103	99	100	101	91	103	103	100	98	84	86	91	90	75	90	16
103	99	100	101	91	104	102	100	96	85	86	91	92	74	90	17
103	99	100	101	91	104	102	101	96	86	88	91	92	75	88	18
103	99	100	101	91	102	102	101	96	86	88	90	92	76	87	19
102	99	100	100	91	101	102	101	95	84	88	90	92	76	86	20
102	99	100	100	91	101	102	101	94	86	88	89	93	76	82	21
101	99	100	100	91	101	102	101	95	87	89	90	94	77	82	22
101	99	100	100	91	101	102	101	96	87	88	91	93	79	83	23
101	99	100	100	91	101	102	101	97	86	88	90	90	79	85	24
101	99	100	100	91	101	102	101	97	83	89	90	90	80	87	25
102	99	100	100	91	101	101	101	97	80	89	90	91	80	92	26
102	99	100	99	91	101	100	101	97	79	89	90	90	81	92	27
102	99	100	99	91	101	100	101	97	79	89	90	90	85	90	28
102	99	100	99	91	101	100	101	97	79	88	92	90	83	90	29
102	99	100	99	91	101	100	101	97	79	86	92	90	83	90	30
−0·97	—	—	−1·98	—	−2·90	−1·96	—	+1·44	−8·13	−2·28	+1·09	−2·17	+10·66	+2·28	31

Average of weeks	Sub-Group Indices of Preference Shares (Fixed Dividend Industrial Securities)—*Contd.*		SUB-GROUP INDICES OF					
	Plantations	Miscellaneous	Banks	Insurance	Investment Trust	Electricity and Tramways	Shipping and other Transport	Railways
	23	24	25	26	27	28	29	30
(Base : 1938=100)								
1 1950-51	112		123	124	163	89	94	92
2 1951-52	109		116	112	149	90	99	87
3 1952-53	101		103	100	139	83	86	75
(Base : 1949-50=100)								
4 1952-53	90		85	98	75	115	88	82
5 1953-54	88	85	86	97	75	116	94	82
6 1954-55	94	87	87	108	90	123	108	88
7 April 1953 ..	85	83	85	97	75	115	87	82
8 May ,, ..	86	83	85	98	76	116	87	83
9 June ,, ..	88	84	85	97	77	116	89	83
10 July ,,	86	84	84	97	74	117	88	82
11 August ,, ..	87	86	85	95	71	117	90	82
12 September ,, ..	88	85	85	95	71	117	90	82
13 October ,, ..	88	86	85	95	74	116	91	82
14 November ,, ..	88	86	85	95	75	116	96	81
15 December ,, ..	90	87	87	96	76	115	99	79
16 January 1954 ..	90	87	88	97	75	115	97	82
17 February ,, ..	90	87	87	98	77	118	106	85
18 March ,, ..	90	86	87	101	77	118	107	85
19 April ,, ..	90	86	86	102	78	119	108	86
20 May ,, ..	91	87	86	101	78	119	105	88
21 June ,, ..	92	87	86	103	83	119	108	86
22 July ,, ..	91	88	87	107	89	121	114	88
23 August ,, ..	93	89	88	111	93	124	122	89
24 September ,, ..	94	87	89	113	96	128	121	90
25 October ,, ..	95	88	88	110	96	128	113	90
26 November ,, ..	96	88	86	108	94	125	104	90
27 December ,, ..	96	87	85	109	94	124	97	88
28 January 1955	96	87	86	110	96	124	101	88
29 February ,, ..	98	88	86	109	95	124	101	88
30 March ,, ..	98	86	85	109	93	124	99	88
31 Percentage Variation of March 1955 over March 1954	*+ 8·88*	—	*− 2·29*	*+ 7·92*	*+20·77*	*+ 5·08*	*− 7·49*	*+ 3·52*

VARIABLE DIVIDEND INDUSTRIAL SECURITIES

Plantations	Cotton, Woollen and Silk Mills	Jute Mills	Coal	Mining and Oil	Iron and Steel	General Engineering	Sugar*	Breweries	Chemicals	Paper	Cement	
31	32	33	34	35	36	37	38	39	40	41	42	
153	158	93	121	72	160	176	101	102	173	114	136	*1*
177	169	100	126	77	163	172	97	84	176	128	144	*2*
127	135	78	91	63	131	140	84	60	135	114	141	*3*
89	94	91	84	120	97	101	85		94	151	113	*4*
92	96	82	78	132	107	113	85		99	159	116	*5*
156	107	93	82	186	140	156	101		132	211	141	*6*
82	92	80	80	122	105	106	83		95	153	112	*7*
82	94	83	83	118	107	107	84		95	155	114	*8*
88	95	86	83	119	105	108	85		94	155	114	*9*
88	94	83	81	114	102	104	83		94	151	113	*10*
85	94	81	77	114	101	103	84		93	150	112	*11*
83	92	79	74	116	98	103	85		93	148	111	*12*
89	92	79	74	130	101	108	85		95	149	114	*13*
93	95	84	75	140	107	116	86		100	158	118	*14*
104	97	85	76	141	109	120	86		103	166	122	*15*
104	97	82	76	144	110	122	86		105	168	120	*16*
105	103	84	77	165	119	129	89		110	177	121	*17*
105	103	84	77	165	122	132	88		111	182	124	*18*
111	103	82	77	164	128	139	91		113	192	127	*19*
114	103	82	78	164	128	139	92		113	193	126	*20*
128	105	84	81	178	133	143	94		117	200	130	*21*
136	107	88	84	175	138	151	96		127	210	134	*22*
156	114	97	86	193	145	164	103		137	226	142	*23*
166	115	103	88	206	151	169	106		145	228	154	*24*
164	113	100	85	193	145	164	105		142	221	150	*25*
169	110	96	82	191	144	160	105		140	215	148	*26*
171	106	98	80	186	138	156	105		138	211	145	*27*
180	105	100	81	193	140	158	106		138	214	147	*28*
188	104	96	81	192	140	162	106		138	212	141	*29*
193	104	98	79	197	148	168	103		136	219	148	*30*
+83·80	+ 0·97	+16·66	+ 2·59	+19·39	+21·31	+27·27	+17·04		+22·52	+20·32	+19·35	31

* Sugar and Breweries in the case of the new series.

ALL-INDIA AND REGIONAL INDICES

Base:

(Compiled by the Department of Research

1954-55

Average for the Week ended		Government and Semi-Government Securities: All-India	Bombay	Calcutta	Madras	Deben-: All-India	Bombay
		1	2	3	4	5	6
1 April	3	90·6	90·1	90·6	90·8	101·4	101·4
2 ,,	10	90·7	90·2	90·7	90·9	101·4	101·3
3 ,,	17	90·7	90·1	90·7	90·9	101·3	100·9
4 ,,	24	90·4	89·9	90·4	90·7	101·3	100·9
5 May	1	90·3	89·8	90·3	90·6	101·3	100·9
6 ,,	8	90·2	89·7	90·1	90·5	101·0	100·9
7 ,,	15	90·1	89·6	90·0	90·3	100·9	100·9
8 ,,	22	90·1	89·6	90·1	90·3	100·9	100·9
9 ,,	29	90·1	89·6	90·0	90·4	101·0	100·9
10 June	5	90·1	89·7	90·0	90·4	100·9	100·9
11 ,,	12	90·2	89·7	90·1	90·5	100·9	100·9
12 ,,	19	90·4	89·9	90·3	90·6	100·9	100·9
13 ,,	26	90·5	90·0	90·5	90·8	100·8	100·9
14 July	3	90·7	90·2	90·6	91·0	100·4	100·9
15 ,,	10	90·7	90·2	90·7	91·0	100·4	100·9
16 ,,	17	90·9	90·4	90·8	91·2	100·4	100·9
17 ,,	24	90·9	90·3	90·8	91·2	100·5	100·9
18 ,,	31	90·9	90·4	90·8	91·2	100·6	100·9
19 August	7	90·8	90·3	90·8	91·2	100·6	100·9
20 ,,	14	90·8	90·3	90·7	91·2	100·7	100·9
21 ,,	21	90·8	90·3	90·8	91·1	100·6	100·7
22 ,,	28	90·8	90·3	90·8	91·1	100·6	100·6
23 September	4	90·8	90·2	90·7	91·1	100·6	100·6
24 ,,	11	90·8	90·2	90·7	91·1	100·4	100·6
25 ,,	18	90·7	90·2	90·7	91·1	100·4	100·6
26 ,,	25	90·6	90·1	90·5	91·0	100·5	100·6
27 October	2	90·5	90·0	90·4	90·9	100·5	100·6
28 ,,	9	90·5	89·9	*	90·8	100·5	100·6
29 ,,	16	90·4	89·8	90·3	90·7	100·5	100·6
30 ,,	23	90·3	89·8	90·2	90·6	100·6	100·5
31 ,,	30	90·2	89·7	90·2	90·5	100·6	100·5
32 November	6	90·3	89·7	90·3	90·6	100·6	100·5
33 ,,	13	90·2	89·7	90·1	90·5	100·5	99·9
34 ,,	20	90·2	89·7	90·0	90·5	100·5	99·7
35 ,,	27	90·3	89·8	90·2	90·5	100·5	99·6
36 December	4	90·3	89·7	90·2	90·5	100·9	99·3
37 ,,	11	90·3	89·8	90·2	90·6	100·7	99·3
38 ,,	18	90·4	89·9	90·3	90·7	100·7	99·3
39 ,,	25	90·5	89·9	90·4	90·7	100·7	99·3
40 January	1	90·4	*	90·4	90·7	100·7	*
41 ,,	8	90·5	90·0	90·4	90·7	100·7	99·3
42 ,,	15	90·6	90·1	90·6	90·9	100·7	99·3
43 ,,	22	90·6	90·1	90·5	90·9	100·7	99·3
44 ,,	29	90·6	90·1	90·5	90·9	100·7	99·3
45 February	5	90·6	90·1	90·5	90·9	100·7	99·2
46 ,,	12	90·6	90·1	90·5	90·9	100·8	99·2
47 ,,	19	90·6	90·1	90·6	90·9	100·7	99·3
48 ,,	26	90·6	90·1	90·6	90·9	100·7	99·5
49 March	5	90·6	90·1	90·6	90·9	100·9	99·4
50 ,,	12	90·6	90·1	90·6	90·9	100·7	99·2
51 ,,	19	90·6	90·1	90·5	90·9	100·6	99·1
52 ,,	26	90·6	90·0	90·5	90·9	100·6	99·1

* Market closed.

MENT 40

(WEEKLY) OF SECURITY PRICES

1949-50=100

and Statistics of the Reserve Bank of India)

tures		Preference Shares (Fixed Dividend Industrial Securities)				Variable Dividend Industrial Securities				
Calcutta	Madras	All-India	Bombay	Calcutta	Madras	All-India	Bombay	Calcutta	Madras	
7	8	9	10	11	12	13	14	15	16	
102·2	100·0	88·3	92·7	85·2	90·0	102·9	113·5	94·3	100·3	1
102·2	100·0	88·3	93·0	85·2	89·7	103·5	114·2	94·8	100·6	2
102·1	100·0	88·4	93·0	85·3	89·9	104·5	115·6	95·5	101·3	3
102·1	100·0	88·3	92·7	85·2	90·0	104·4	114·5	95·9	101·9	4
102·1	100·0	88·1	92·6	84·9	90·1	104·2	114·4	95·8	101·3	5
101·6	100·0	88·1	92·8	84·9	90·0	104·3	114·6	96·3	101·2	6
101·4	100·0	88·1	92·8	84·8	90·1	103·6	113·4	95 6	101 8	7
101·3	100·0	88·0	92·8	84·6	90·5	103·5	113·0	95·5	101·6	8
101·5	100·0	88·1	92·9	84·6	90·8	104·3	113·5	96·5	102·5	9
101·4	100·0	88·2	92·8	84·9	90·7	104·9	113·5	97·4	103·4	10
101·3	100·0	88·5	93·8	84·9	90·8	106·2	114·7	99·0	103·9	11
101·3	100·0	88·7	94·0	85·0	91·7	107·7	116·0	100·7	104·0	12
101·1	100·0	88·7	93·9	85·0	92·0	108·9	117·1	101·8	105·1	13
100·5	100·0	88·7	93·8	85·2	91·0	110·2	118·3	102·6	106·8	14
100·5	100·0	88·9	94·0	85·3	91·3	109·8	117·6	102·5	106·5	15
100·5	100·0	89·1	94·2	85·5	91·6	109·6	117·1	102·3	106·6	16
100·6	100·0	89·1	94·2	85·5	91·9	110·6	118·9	102·8	107·1	17
100·7	100·1	89·3	94·4	85·6	92·3	112·7	121·1	105·0	107·5	18
100·8	100·1	89·4	94·0	85·7	93·8	114·5	122·1	106·7	109·2	19
100·9	100·1	89·5	93·8	85·9	94·0	117·0	124·2	109·0	111·8	20
100·9	100·1	89·3	93·9	85·9	92·5	118·1	124·5	110·2	114·2	21
100·9	100·1	89·4	93·4	86·2	92·9	119·9	125·0	112·2	116·9	22
100·8	100·1	88·7	91·6	86·1	92·6	119·9	125·3	112·2	116·3	23
100·5	100·1	88·5	91·9	85·5	92·6	121·2	127·7	113·2	116·0	24
100·5	100·1	88·5	92·5	85·2	92·8	121·4	127·2	113·6	116·2	25
100·5	100·5	88·5	91·9	85·4	93·2	121·3	127·9	113·1	116·2	26
100·5	100·5	88·4	91·5	85·5	93·0	120·5	126·9	112·4	115·5	27
*	100·5	88·3	91·5	*	93·0	119·4	124·1	*	114·4	28
100·5	100·5	88·2	91·5	85·1	93·2	117·5	123·0	110·0	112·8	29
100·8	100·5	88·5	91·6	85·4	93·5	116·9	123·2	109·3	110·9	30
100·6	100·5	88·6	92·0	85·4	93·7	116·9	122·2	109·5	111·4	31
100·7	100·5	88·4	92·0	85·1	93·7	117·4	123·2	109·7	111·2	32
100·8	100·5	88·3	91·8	85·0	93·8	116·5	121·7	109·0	111·4	33
100·9	100·5	88·2	91·8	84·8	93·9	115·3	120·8	107·4	111·1	34
100·9	100·5	88·2	92·1	84·5	93·9	114·9	120·3	107·2	110·9	35
101·8	100·5	88·2	92·0	84·7	93·9	112·9	116·9	106·3	109·4	36
101·4	100·5	88·3	91·9	84·8	94·0	113·4	117·9	106·7	109·1	37
101·3	100·5	88·1	91·5	84·7	94·6	114·2	118·5	107·5	110·4	38
101·3	100·5	88·5	91·7	85·2	94·6	114·2	117·5	107·8	110·7	39
101·3	100·5	88·5	*	85·3	94·4	113·6	*	107·4	110·6	40
101·3	100·5	88·5	91·8	85·3	93·5	114·5	118·5	108·3	110·6	41
101·3	100·5	88·4	91·7	85·3	93·6	115·3	118·8	109·5	110·8	42
101·3	100·5	88·2	91·6	85·0	93·5	115·1	118·7	109·1	110·9	43
101·3	100·5	88·3	91·7	85·1	93·7	115·8	119·7	109·4	111·5	44
101·4	100·5	88·3	91·3	85·3	94·2	115·4	118·8	109·4	111·6	45
101·6	100·5	88·2	91·2	85·2	93·9	114·4	117·1	108·7	110·3	46
101·3	100·5	88·1	91·3	84·9	94·0	113·5	116·3	107·8	109·9	47
101·4	100·5	88·1	91·4	84·8	94·1	113·5	116·9	107·6	109·3	48
101·7	100·5	87·5	91·4	83·6	94·1	114·1	117·8	107·9	109·0	49
101·5	100·4	87·3	91·6	83·1	94·2	115·9	119·3	109·9	110·0	50
101·3	100·4	87·2	91·6	83·1	94·2	115·8	119·0	109·8	109·9	51
101·3	100·5	87·4	91·7	83·2	94·4	115·8	119·0	109·7	110·2	52

STATEMENT 41

Average Yields on Government of India Securities (Annual and Monthly)

(Per cent per annum)

LOANS	As on Nov. 14, 1951	Average for: Mar. 1954	April 1954	May 1954	June 1954	July 1954	Aug. 1954	Sept. 1954	Oct. 1954	Nov. 1954	Dec. 1954	Jan. 1955	Feb. 1955	Mar. 1955	Annual Average: 1954-55	1953-54	Difference of March 1955 over Mar. 1954
Terminables :																	
Under 5 years																	
2¼% 1954*	2·58	3·48	3·45	3·27	3·14	2·81	2·99	3·35	4·46						3·35	3·48	
2½% 1955	2.63	3·50	3·52	3·57	3·50	2·97	2·90	2·99	3·03	3·08	3·14	3·03	3·09	3·19	3·17	3·36	−0·31
4½% 1955-60	2·59	3·09	3·04	3·24	3·21	3·18	3·09	2·97	2·89	2·81	2·63	2·50	2·22	1·85	2·80	2·96	−1·24
3 % 1957	3·02	3·50	3·54	3·65	3·52	3·41	3·39	3·50	3·57	3·54	3·44	3·30	3·29	3·32	3·46	3·44	−0·18
3 % 1958	3·04	3·46	3·45	3·53	3·44	3·36	3·35	3·37	3·44	3·45	3·38	3·26	3·25	3·25	3·38	3·41	−0·21
3 % 1959-61	3·24	3·77	3·73	3·83	3·78	3·69	3·70	3·76	3·82	3·83	3·77	3·67	3·65	3·66	3·74	3·73	−0·11
Between 5 and 10 years																	
2¾% 1960	3·33	3·90	3·85	3·88	3·81	3·78	3·79	3·82	3·85	3·89	3·86	3·86	3·85	3·82	3·84	3·84	−0·08
4 % 1960-70	3·14	3·64	3·62	3·71	3·67	3·66	3·65	3·66	3·67	3·67	3·67	3·64	3·62	3·62	3·66	3·66	−0·02
2½% 1961	3·26	3·97	3·95	3·94	3·93	3·90	3·90	3·92	3·96	4·00	4·01	3·97	3·98	3·98	3·95	3·90	+0·01
3½% 1961		3·66	3·64	3·69	3·67	3·63	3·63	3·65	3·68	3·73	3·67	3·61	3·58	3·59	3·65	3·71	−0·07
2¾% 1962	3·36	3·90	3·86	3·88	3·85	3·83	3·83	3·85	3·88	3·90	3·88	3·88	3·88	3·89	3·87	3·85	−0·01
3 % 1963-65	3·46	3·96	3·93	3·97	3·93	3·89	3·90	3·91	3·93	3·96	3·91	3·89	3·90	3·91	3·92	3·94	−0·05
3 % 1964	3·42	3·88	3·85	3·88	3·85	3·81	3·81	3·82	3·85	3·86	3·84	3·80	3·82	3·82	3·83	3·86	−0·06
3½% 1964**								3·71	3·73	3·78	3·73	3·69	3·70	3·70	3·72		
Between 10 and 15 years																	
3 % 1966-68	3·52	3·99	3·98	4·03	3·99	3·96	3·97	3·97	4·01	4·03	4·02	4·02	4·02	4·03	4·00	3·97	+0·04
Between 15 and 20 years																	
3 % 1970-75	3·52	4·12	4·11	4·18	4·13	4·10	4·09	4·10	4·12	4·13	4·14	4·14	4·14	4·14	4·13	4·11	+0·02
Over 20 years																	
2¾% 1976	3·41	3·91	3·92	3·96	3·98	3·99	3·99	3·99	4·00	4·00	4·00	4·00	4·01	4·01	3·99	3·89	+0·10
Non-terminables :																	
3 % Conversion Loan 1986 or Later F ..	3·37	3·63	3·64	3·67	3·65	3·61	3·61	3·64	3·70	3·71	3·71	3·69	3·70	3·71	3·67	3·64	+0·08
3 % Rupee Paper F ..	3·25	3·64	3·66	3·70	3·70	3·65	3·64	3·64	3·71	3·75	3·75	3·74	3·74	3·74	3·70	3·64	+0·10
Rupee Counterparts :																	
3½% 1954-59††	2·84	3·24	3·20	3·27	3·23	3·18	3·13	3·01	2·75	1·98					2·97	3·31	
4½% 1958-68	2·85	3·22	3·23	3·55	3·54	3·52	3·50	3·48	3·47	3·44	3·41	3·40	3·36	3·35	3·44	3·32	+0·13

Note.—Yields are based on prices quoted at Bombay. Income-tax is not taken into account in calculating yields. Yields are calculated to earlier dates of redemption.

* Repaid on November 15, 1954. ** Issued on April 19, 1954 and was on tap till September 16, 1954. †† Repaid on December 15, 1954. F=Flat Yield.

STATEMENT 42

Prices of Representative Industrial Shares, 1954-55

SCRIPS	End of May 1950 (1) Rs. a.	End of May 1951 (2) Rs. a.	Jan. 2 1953 (3) Rs. a.	End of Mar. 1954 (4) Rs. a.	End of June 1954 (5) Rs. a.	End of Sept. 1954 (6) Rs. a.	End of Dec. 1954 (7) Rs. a.	End of Mar. 1955 (8) Rs. a.	1954-55 Highest (9) Rs. a.	1954-55 Lowest (10) Rs. a.	Percentage variation of 8 over 2 (11)	Percentage variation of 8 over 3 (12)	Percentage variation of 8 over 4 (13)
Steels :													
Tata Ordinary	316 0*	398 8*	302 0*	187 4	216 8	243 0	224 12	239 0	254 12	187 0			+27·6
Indian Iron	29 12	38 8	23 10	29 7	33 4	35 7	32 1	35 4	36 4	29 5	− 8·4	+ 49·2	+19·7
Textiles :													
Bombay Dyeing ..	967 8*	526 4	354 6	422 8	475 0	525 0	471 4	465 10	551 4	410 0	−11·5	+ 31·4	+10·2
Kohinoor	290 4xd	396 8	260 8	315 12	328 0	353 0	327 0	313 8	362 8	304 8	−20·9	+ 20·3	− 0·7
Swadeshi	248 0	330 0	236 8	304 8	293 8	245 0	210 0	190 0	309 8	186 0xr	−42·4	− 19·7	−37·6
Buckingham ..	136 0	167 0	116 0	140 0xd	150 0	154 0	155 0	156 8xd	172 0	138 8	− 6·6	+ 34·9	+11·8
Bank and Insurance :													
India	179 0	161 0	157 0	149 4	147 0	149 0	151 8	145 0	153 0	142 0	− 9·9	− 7·6	− 2·8
Central	83 0	79 4	64 8	56 4	56 8	55 8	51 0	50 0	58 8	49 12	−36·9	− 22·5	−11·1
Imperial (F.P.) ..	1,837 8	1,900 0	1,792 8	1,782 8	1,765 0	1,727 8	1,665 0	1,580 0	1,825 0	1,530 0	−16·8	− 11·9	−11·4
Oriental	4,870 0	5,000 0	4,690 0	7,760 0	7,700 0	7,400 0	6,900 0	7,275 0	8,025 0	5,880 0	+45·5	+ 55·1	− 6·2
New India	64 0	51 0	42 4	49 0	48 4	57 4	64 0	52 0	65 0	44 0	+ 2·0	+ 23·1	+ 6·1
Jute :													
Anglo-India	236 0	445 0	232 0xd	198 0	232 0	256 0xd	242 0	225 0	276 0	196 0	−49·4	− 3·0	+13·6
Howrah	29 6	40 4	23 15	24 5	26 4	32 7	30 10	29 13	35 0	23 8	−25·9	+ 24·5	+22·6
Coal :													
Bengal	516 0	637 0	507 0	515 0	505 0	532 0	500 0	517 0	537 0	478 0	−18·8	+ 2·0	+ 0·4
Burrakur	14 2	16 11xd	10 6	8 8	11 12	12 14	11 6	12 6	14 5	8 7	−25·8	+ 19·3	+45·6
Tea :													
Hasimara	43 12	47 8	19 4	34 2	37 1	41 12	43 8	48 12	49 6	33 4	+ 2·6	+153·2	+42·9
Patrakola	196 0	240 0	97 0	185 0	230 0	295 0	270 0	248 0	315 0	180 0	+ 3·3	+155·7	+34·1
Miscellaneous :													
Carew Sugar	8 12	8 10	4 7	7 10	8 4	9 10	8 10	13 6	13 6	7 9	+55·1	+201·4	+75·4
Belapur Sugar ..	226 0	283 8	210 0xd	263 0	280 0	296 0	316 8xd	311 0	338 0	261 0	+ 9·7	+ 48·1	+18·3
Chembra Peak ..	5 8	5 5	2 11	3 5	4 7	4 9	4 11	5 10	5 10½	3 4	+ 6·0	+109·3	+70·1
Cochin Malabar ..	5 4	11 8	6 5	6 15xr	8 2	7 8	7 2	7 9½	8 3	6 15	−34·0	+ 20·3	+ 9·4
A.C.C.	152 4	173 12	178 12	157 12	165 0	184 0	178 8	179 8	192 8	153 8	+ 3·3	+ 0·4	+13·8
Fertilisers and Chemicals													
Travancore-Cochin	6 3	7 1xd	3 11	4 0	5 11	6 1	4 15	5 1½	6 13	3 14½	−27·9	+ 37·9	+27·3
Scindia Steam ..	10 14	18 12½	14 9	17 15½	19 11	20 2½	15 3½	15 3	22 9½	14 3	−19·1	+ 4·3	−15·5

* Before the issue of bonus shares.

STATEMENT 43

CONTROL OF CAPITAL ISSUES, 1954

(Rupees in Crores)

Classification	Applications*		Consents									
			Total		Initial		Further Others		Further Debentures		Further Bonus	
	No. of Companies	Amount	No. of Companies	Amount	No. of Companies	Amount	No. of Companies	Amount	No. of Companies	Amount	No. of Companies	Amount
Industrial	156	97·84	140	93·86 (95·9)	58	50·88	29	16·90	24	20·24	29	5·85
Non-Industrial	111	19·14	80	16·71 (87·3)	16	7·06	38	5·55	—	0·05	26	4·03
(*a*) Agricultural	19	2·08	16	1·83 (88·0)	3	0·87	4	0·34	—	0·04	9	0·58
(*b*) Financial	40	3·08	26	2·41 (78 2)	1	0·02	19	1·51	—	—	6	0·88
(*c*) Trade and Transport	23	5·99	15	5·40 (90 2)	2	0·30	7	2·39	—	—	6	2·50
(*d*) Miscellaneous	29	7·97	23	7·06 (88·6)	10	5·87	8	1·11	—	0·01	5	0·07
Total for 1954	**267**	**116·98**	**220**	**110·57** (94·5)	**74**	**57·94**	**67**	**22·45**	**24**	**20·29**	**55**	**9·88**
,, ,, **1953**	**272**	**89·79**	**232**	**81·39** (90·6)	**31**	**18·34**	**97**	**34·42**	**20**	**13·92**	**84**	**14·72**
,, ,, **1952**	**326**	**152·33**	**254**	**39·79** (26·1)	**23**	**12·69**	**121**	**17·57**	**9**	**1·75**	**101**	**7·77**
,, ,, **1951**	**410**	**68·32**	**343**	**59·56** (87·2)	**46**	**21·60**	**153**	**23·27**	**16**	**3·92**	**128**	**10·77**
,, ,, **1950**	**320**	**84·93**	**263**	**74·75** (87·9)	**47**	**13·69**	**98**	**41·59**	**25**	**10·93**	**93**	**8·54**

Note :—Figures in brackets represent consents as percentages of the total amount applied for.

* Figures relate only to applications disposed of during the period and not to applications actually received during the period.

STATEMENT 44

Assets and Liabilities of the Industrial Finance Corporation of India

(Lakhs of Rupees)

Liabilities

	1950	1951	1952	1953	1954	1955
1. Capital Authorised (10,00·00)						
Issued and Paid-up	5,00·00	5,00·00	5,00·00	5,00·00	5,00·00	5,00·00
2. Reserve Fund						
(a) Special Reserve Fund under Sec. 32 A (1) of the I.F.C. Act	—	—	—	—	—	9·12
(b) Other Reserves ..	0·50	1·00	2·00	3·00	10·06	5·50
3. Reserve for Doubtful Debts ..	—	—	—	—	—	5·00
4. Provision for Taxation ..	—	—	—	—	18·01	9·80
5. Bonds and Debentures ..	5,30·00	5,30·00	5,80·50	5,80·50	7,80·50	7,80·50
6. Borrowings from Reserve Bank of India	—	—	—	—	29·50*	—
7. Borrowings in Foreign Currency	—	—	—	—	—	—
8. Fixed Deposits	—	—	—	—	—	—
9. Contingent Liabilities under Guarantees and Underwriting Agreements Per Contra	—	—	—	—	—	—
10. Other Liabilities	34·76	36·79	40·44	60·52	46·24	52·15
Total	**10,65·26**	**10,67·79**	**11,22·94**	**11,44·02**	**13,84·31**	**13,62·08**

Assets

	1950	1951	1952	1953	1954	1955
1. Cash in hand and with Bankers ..	26·11	47·28	55·08	25·60	5·45	23·47
2. Investments in Government Securities	6,95·83	4,58·33	3,58·27	2,00·38	2,00·38	—
3. Loans and Advances	3,15·06	5,20·79	6,55·42	8,61·67	11,19·58	12,78·18
4. Debentures ..	—	—	—	—	—	—
5. Guarantees and Underwriting Agreements Per Contra	—	—	—	—	—	—
6. Other Assets ..	28·26	41·39	54·17	56·37	58·90	60·43
Total ..	**10,65·26**	**10,67·79**	**11,22·94**	**11,44·02**	**13,84·31**	**13,62·08**

Note :—Figures are as on the last Friday of March.
* Under Section 21(3) (*a*) of the Industrial Finance Corporation Act, 1948 (as amended).

STATEMENT 45

Prices (Weekly) of Gold and Silver and Estimated Stocks in Bombay, 1954-55

1954-55 As at the close of		Gold: Spot	Gold: Forward†	Gold: Premium (+) or Discount (−) of spot over forward	Gold: Estimated Visible Stocks	Silver*: Spot	Silver*: Forward†	Silver*: Premium (+) or Discount (−) of spot over forward	Silver*: Estimated Visible Stocks
		(Per fine tola)			(Tolas)	(Per 100 tolas gross)			(In bars of 2,800 tolas)
		Rs. a.	Rs. a.	Rs. a.		Rs. a.	Rs. a.	Rs. a.	
April	2 ..	90 10	89 14	+0 12	17,000	168 12	169 2	−0 6	1,900
”	9 ..	95 6	94 7	+0 15	16,000	173 7	173 4	+0 3	1,800
”	16‡ ..	93 9½	93 1½	+0 8	27,000	170 11	170 8	+0 3	1,800
			(92 9½)	(+1 0)			(170 12)	(—0 1)	
”	23 ..	92 10	91 14	+0 12	21,000	168 2	167 14	+0 4	1,300
”	30 ..	93 10½	92 12½	+0 14	16,000	171 1	170 11	+0 6	1,200
May	7 ..	91 3	89 13	+1 6	9,000	166 13	166 5	+0 8	1,000
”	14 ..	91 6	90 6	+1 0	11,000	165 5	164 15	+0 6	1,000
			(89 3½)	(+2 2½)			(164 9)	(+0 12)	
”	21	92 14	89 14	+3 0	14,000	166 3	165 13	+0 6	1,050
”	28 ..	90 3½	88 2½	+2 1	15,000	162 8	162 12	−0 4	1,100
June	4 ..	87 1	85 13	+1 4	11,000	158 11	158 14	−0 3	1,540
”	11 ..	84 8	84 5	+0 3	17,000	156 7	156 11	−0 4	1,700
			(83 7)	(+1 1)			(153 3)	(+3 4)	
”	18 ..	84 1	82 11	+1 6	17,000	150 6	151 0	−0 10	2,200
”	25 ..	85 4	83 14	+1 6	17,000	150 2	150 6	−0 4	2,100
July	2 ..	84 4	83 12	+0 8	14,000	152 15	153 5	−0 6	2,300
”	9 ..	84 9½	84 2½	+0 7	15,000	154 3	154 6	−0 3	2,400
			(83 4)	(+1 5½)			(151 13)	(+2 6)	
”	16 ..	85 0	85 1½	−0 1½	40,000	156 8	156 14	−0 6	2,500
			(83 10)	(+1 6)			(152 10)	(+3 14)	
”	23 ..	84 12	84 2	+0 10	20,000	152 9	151 9	+1 0	2,800
”	30 ..	87 0	86 14	+0 2	22,000	154 1	153 15	+0 2	3,000
August	6 ..	87 8	87 7	+0 1	27,000	153 1	153 1	—	2,800
”	13 ..	89 12	89 8	+0 4	21,000	154 15	154 14	+0 1	2,500
			(89 8)	(+0 4)			(155 6)	(−0 7)	
”	20 ..	87 14	87 15	−0 1	35,000	154 11	155 3	−0 8	2,800
”	27 ..	88 4	88 8	−0 4	35,000	154 9	155 2	−0 9	2,800

September	3*	..	87 3	87 6	−0 3	46,000	153 15	154 5	−0 6	2,600
”	10	..	87 13	87 15	−0 2	45,000	155 10	155 14	−0 4	2,600
				(87 15)	(−0 2)			(156 8)	(−0 14)	
”	17	..	87 11	87 13	−0 2	48,000	155 8	156 2	−0 10	2,600
”	24	..	87 ½	87 4½	−0 4	55,000	157 1	157 10	−0 9	2,600
October	1	..	87 2	87 3	−0 1	42,000	157 2	157 7	−0 5	2,700
”	8	..	87 5½	87 5½	—	50,000	156 15	157 2	−0 3	2,600
				(87 7½)	(−0 2)			(157 13)	(−0 14)	
”	15	..	88 1	87 12	+0 5	57,000	158 10	159 4	−0 10	2,700
”	22	..	87 6	87 6	—	41,000	159 4	159 14	−0 10	2,800
”	29‡	..	87 14½	87 10½	+0 4	40,000	159 10	160 1	−0 7	2,700
November	5	..	88 4	88 1	+0 3	60,000	158 12	159 1	−0 5	2,800
				(87 14½)	(+0 5½)			(159 11)	(−0 15)	
”	12	..	89 0	88 11	+0 5	52,000	159 6	160 2	−0 12	2,800
”	19	..	88 12	88 8	+0 4	70,000	158 7	159 0	−0 9	2,800
”	26	..	87 4	87 2	+0 2	46,000	154 4	154 10	−0 6	2,900
December	3	..	86 7½	86 5½	+0 2	50,000	154 4	154 10	−0 6	2,800
				(86 5)	(+0 2½)			(155 4)	(−1 0)	
”	10	..	87 12	87 7	+0 5	50,000	154 9	154 10	−0 1	2,600
								(155 5)	(−0 12)	
”	17	..	87 6	87 0	+0 6	40,000	152 3	152 10	−0 7	2,800
”	24	..	88 8	88 2	+0 6	22,000	154 5	154 10	−0 5	2,400
”	31	..	88 3	88 3	—	25,000	154 10	154 14	−0 4	2,500
January	7	..	88 11	88 12	−0 1	37,000	154 12	154 12	—	2,300
				(88 6)	(+0 5)			(155 5)	(−0 9)	
”	14‡	..	89 11	89 2	+0 9	20,000	156 14	157 4	−0 6	2,200
”	21	..	91 9	91 2	+0 7	25,000	160 15	161 3	−0 4	2,000
”	28	..	91 10½	91 9½	+0 1	25,000	161 0	161 1	−0 1	2,000
February	4	..	92 8	92 3	+0 5	18,000	161 4	161 4	—	1,800
				(91 11)	(+0 13)			(161 2)	(+0 2)	
”	11	..	94 14	93 14	+1 0	21,000	165 10	165 6	+0 4	1,700
”	18	..	92 9	91 11	+0 14	20,000	164 7	164 4	+0 3	1,600
”	25	..	92 14½	91 14½	+1 0	20,000	164 13	164 9	+0 4	1,600
March	4	..	92 15	92 4	+0 11	24,000	166 2	166 4	−0 2	1,500
				(91 12)	(+1 3)			(164 2)	(+2 0)	
”	11	..	93 6	92 2	+1 4	17,000	167 6	165 6	+2 0	1,700
”	18**	..								
”	25	..	93 15	92 9	+1 6	20,000	167 14	167 0	+0 14	1,400

* Spot quotations for silver relate to ·9900—·9959 fineness. † Monthly settlements. When two settlements run during one week, the quotation for the new settlement is shown in brackets. ‡ Market closed ; preceding working day's quotations given. ** The market remained unofficially closed from March 14 to 23.

STATEMENT 46

Prices of Bar Gold and Sovereigns in Bombay and Import Duty (Annual and Monthly)

	Gold (per fine tola)						Sovereigns			Estimated Visible Stocks of gold in Bombay(d)	Import Duty per tola
	SPOT			FORWARD(a)			SPOT				
	Highest Rs. a. p.	Lowest Rs. a. p.	Average(b) Rs. a. p.	Highest Rs. a. p.	Lowest Rs. a. p.	Average(b) Rs. a. p.	Highest(c) Rs. a. p.	Lowest(c) Rs. a. p.	Average(b) Rs. a. p.	(Tolas)	*Rs. a. p.*
1950-51	120 2 0	104 12 0	113 7 4	118 14 0	104 8 0	113 3 5	78 4 0	73 13 0	76 0 9	77,308	*12 8 0* / *13 2 0(e)*
1951-52	118 10 0	79 8 0	109 1 1	118 7 0	95 0 0	110 14 10	80 0 0	61 0 0	76 2 7	69,173	*13 2 0**
1952-53	95 14 0	77 5 0	88 0 1	93 6 0	76 14 0	86 12 7	66 4 0	55 0 0	61 4 6	38,327	*13 2 0**
1953-54	93 6 0	79 8 0	86 1 6	91 7 0	79 1 0	85 8 5	59 4 0	55 8 0	57 5 8	25,942	*13 2 0**
1954-55	95 6 0	83 0 0	89 2 4	94 7 0	81 11 0	88 7 2	61 10 0	56 12 0	58 7 6	29,673	*13 2 0**
April 1954	95 6 0 (9)	90 7 0 (2,3)	93 2 0	94 7 0 (9)	89 9 0 (1)	92 7 3	61 10 0 (12)	59 2 0 (1-3)	60 9 3	19,400	
May ,, ...	94 1 0 (1)	87 15 0 (31)	91 6 9	93 4 0 (1)	86 0 (31)	89 8 6	61 2 0 (21)	59 14 0 (31)	60 8 9	12,250	
June ,, ...	88 2 0 (1)	83 0 0 (16,17)	85 4 9	86 12 0 (5)	81 11 0 (16)	84 0 4	59 14 0 (1)	56 14 0 (21)	58 0 3	15,500	
July ,, ...	87 7 0 (31)	83 11 0 (3,14)	85 0 4	87 6 0 (31)	82 11 0 (10)	84 4 3	57 6 0 (30,31)	56 12 0 (3,5,6)	57 0 4	22,200	
August ,, ...	90 14 0 (17)	86 0 0 (4)	87 15 6	90 14 0 (17)	85 14 0 (4)	87 15 10	58 12 0 (17)	57 6 0 (2-4)	57 14 0	29,500	
September ,, ...	88 14 0 (7)	86 7 0 (14,29)	87 7 8	89 0 0 (7)	86 9 0 (13)	87 10 11	58 2 0 (7)	57 6 0 (14)	57 11 4	48,500	
October ,, ...	88 13 6 (18)	86 13 0 (1,5)	87 12 2	88 7 6 (12)	86 12 0 (5)	87 9 6	58 0 0 (18,21)	57 8 0 (9,23)	57 11 10	46,000	
November ,, ...	89 8 0 (12)	86 2 6 (29)	88 4 10	89 3 0 (12)	86 0 6 (29)	88 1 3	57 14 0 (3,19)	57 6 0 (30)	57 10 10	57,000	
December ,, ...	88 12 6 (29)	85 12 0 (2)	87 10 8	88 11 6 (29)	85 11 0 (2)	87 5 4	57 12 0 (10,11,14)	57 4 0 (30)	57 8 9	37,400	
January 1955	92 5 0 (31)	88 1 0 (1)	90 3 10	92 3 0 (31)	87 13 0 (1)	89 10 8	59 0 0 (31)	57 6 0 (15)	57 13 8	26,750	
February ,, ...	95 0 0 (11)	91 6 0 (22)	93 1 1	94 0 0 (11)	90 10 0 (22)	92 2 6	60 6 0 (10)	59 2 0 (1)	59 10 6	19,750	
March ,, ...	94 4 0 (25)	92 5 0 (31)	93 5 11	93 4 0 (8)	90 7 0 (31)	91 15 0	59 10 0 (1,26)	59 4 0 (2-5,8,11, 29,31)	59 6 1	20,250	

Note.—Figures within brackets refer to dates of quotations.

(*a*) Monthly settlements. In arriving at the highest, lowest and average prices, all settlement rates have been taken into account. (*b*) Average of closing quotations on working days. (*c*) Figures relate to closing prices on working days. (*d*) Average of week-end stocks. (*e*) Effective from March 1951.
* Including a surcharge of 5 per cent.

STATEMENT 47

Prices of Silver in Bombay and Import Duty (Annual and Monthly)

Market Price *(a)*

(Per 100 tolas gross)

	Spot: Highest Rs. a. p.	Spot: Lowest Rs. a. p.	Spot: Average(*d*) Rs. a. p.	Forward(*b*): Highest Rs. a. p.	Forward(*b*): Lowest Rs. a. p.	Forward(*b*): Average(*d*) Rs. a. p.	Estimated Visible Stocks in Bombay(*c*) (in bars of 2,800 tolas)	Import Duty per 100 tolas *Rs. a. p.*
1950-51 ..	198 12 0	173 14 0	185 14 3	197 4 0	173 7 0	184 11 10	3,727	*9 6 0* / *9 13 6(e)**
1951-52 ..	207 4 0	142 0 0	188 4 3	207 0 0	176 4 0	192 4 2	4,456	*9 13 6**
1952-53 ..	174 12 0	141 12 0	159 8 4	171 14 0	140 10 0	157 6 6	2,127	*9 13 6**
1953-54 ..	167 14 0	148 14 0	157 4 10	169 8 0	147 6 0	157 0 1	2,106	*9 13 6**
	169 2 0	149 14 0	159 13 6					
1954-55 ..	173 14 0	147 15 0	159 3 9	174 4 0	148 7 0	159 1 4	2,175	*9 13 6**
April 1954 ..	173 14 0 (10)	165 14 0 (20)	170 4 0	174 4 0 (10)	165 9 0 (20)	170 3 5	1,600	
May ,, ..	171 15 0 (1)	159 13 0 (31)	165 1 7	171 9 0 (1)	160 0 0 (31)	164 10 2	1,038	
June ,, ..	160 6 0 (1)	147 15 0 (21)	153 12 5	160 8 0 (1)	148 7 0 (21)	153 10 0	1,885	
July ,, ..	156 10 0 (16)	150 3 0 (14)	153 13 11	157 0 0 (16)	150 4 0 (14)	153 1 8	2,600	
August ,, ..	157 0 0 (17)	152 1 0 (4)	154 1 8	157 8 0 (17)	152 1 0 (4,9)	154 4 5	2,725	
September ,, ..	158 2 0 (23)	153 11 0 (4)	155 14 6	158 11 0 (23)	154 1 0 (4,14)	156 4 4	2,600	
October ,, ..	160 14 0 (18)	156 8 0 (1,8)	158 9 11	161 8 0 (18)	156 11 0 (8)	158 13 1	2,700	
November ,, ..	160 7 0 (1)	152 12 0 (29)	157 15 0	160 14 0 (1)	153 2 0 (29)	158 9 0	2,825	
December ,, ..	155 15 0 (29)	152 1 0 (17)	154 0 10	156 7 0 (4)	152 8 0 (17)	154 8 9	2,620	
January 1955 ..	161 9 0 (27)	153 3 0 (6)	158 0 2	161 9 0 (27,31)	153 3 0 (6)	157 11 0	2,125	
February ,, ..	166 4 0 (26,28)	160 11 0 (2)	163 7 5	166 0 0 (26,28)	160 10 0 (2)	162 13 6	1,675	
March ,, ..	168 11 0 (25)	165 1 0 (31)	166 12 3	168 10 0 (10)	159 5 0 (31)	164 14 3	1,500	

Note.—Figures within brackets refer to dates of quotations.

(*a*) Spot quotations for silver relate to ·999 fineness upto December 13, 1953 and thereafter to ·9900—·9959 fineness. (*b*) Monthly settlements. In arriving at the highest, lowest and average prices, all settlement rates have been taken into account. (*c*) Average of week-end stocks. (*d*) Average of closing quotations on working days. (*e*) Effective from March 1951. * Including a surcharge of 5 per cent.

STATEMENT 48

Assaying and Refining of Gold and Silver at the Indian Mints

(Thousands of Tolas)

	Melting and Assaying			Refining*
	Bombay	Alipore	**Total**	Bombay
GOLD				
1950-51	14	2,45†	**2,59**	18,64
1951-52	20	40‡	**60**	27,43
1952-53	2	26	**28**	24,11
1953-54	6	74	**80**	17,21
1954-55	18	57	**75**	13,39
SILVER				
1950-51	1,27	96,29†	**97,56**	16,50
1951-52	1,21	62,98‡	**64,19**	44,46
1952-53	40	62,15	**62,55**	28,92
1953-54	25	72,82	**73,07**	13,41
1954-55	41	73,26	**73,67**	8,19

* The Calcutta and Alipore Mints did not undertake any refining work. † Figures relate to the Calcutta Mint. ‡ Includes figures in respect of the Calcutta Mint.

STATEMENT 49

Quantity and Value of Imports and Exports of Gold and Silver

	IMPORTS		EXPORTS(*a*)		NET IMPORTS	
	Quantity in thousands of ounces	Value in lakhs of rupees	Quantity in thousands of ounces	Value in lakhs of rupees	Quantity in thousands of ounces	Value in lakhs of rupees
GOLD						
1950-51 ..	7	21	1	4	6	17
1951-52 ..	40	1,16	—	1	40	1,15
1952-53 ..	1	2	—	—	1	2
1953-54 ..	1	2	—	—	1	2
1954-55 ..	2	6	1	2	1	3
SILVER(*b*)						
1950-51 ..	66	3	—	—	66	3
1951-52 ..	1,67	9	—	—	1,66	9
1952-53 ..	1,28	5	—	—	1,28	5
1953-54 ..	1,42	6	1	—	1,41	6
1954-55 ..	—	—	—	—	—	—

(*a*) Including re-exports. (*b*) Government of India rupee and half rupee coins are shown at face value.

STATEMENT 50

Overall Budgetary Position of the Government of India

(Crores of Rupees)

	1950-51 (Accounts)	1951-52 (Accounts)	1952-53 (Accounts)	1953-54 (Accounts)	1954-55 Budget	1954-55 Revised	1955-56 (Budget)
I. REVENUE ACCOUNT							
A.—(1) Revenue..	**410·66**	**515·36**	**435·11**	**415·98**	**451·73***a*	**451·08**	**468·76** + 12·82*b*
(2) Tax Revenue	357·00	459·99	387·06	363·28	389·84	395·01	403·09 + 12·82*b*
(3) *(2) as percentage of (1)*	*86·9*	*89·3*	*89·0*	*87·3*	*86·3*	*87·6*	*86·0*
(4) Non-Tax Revenue	53·66	55·37	48·05	52·70	61·89	56·07	65·67
B.—(1) Expenditure	**351·44**	**387·27**	**396·18**	**407·48**	**467·09**	**456·08**	**498·93**
(2) Defence (Net)	164·13	170·96	179·52	186·30	205·62	198·02	202·68
(3) *(2) as percentage of (1)*	*46·7*	*44·1*	*47·3*	*45·7*	*44·0*	*43·4*	*40·6*
(4) Civil Expenditure	187·31	216·31	216·66	221·18	261·47	258·06	296·25
C.—Surplus (+) or Deficit (−)	**+59·22**	**+128·09**	**+38·93**	**+ 8·50**	**−15·36**	**− 5·00**	**−17·35***c*
II. CAPITAL ACCOUNT							
A.—Receipts	**59·09**	**53·94**	**29·95**	**117·36**	**356·41**	**420·86**	**557·85**
(1) Permanent Debt (Net)	—	23·36	27·76	—	25·26	112·65	68·83
(2) Other Debt (Net)	59·09	30·58	2·19	117·36	331·15	308·21	489·02
B.—Disbursements	**121·13**	**178·33**	**124·19**	**187·20**	**329·96**	**402·99**	**527·54**
(1) Capital outlay outside the Revenue Account (Net)*d*	55·74	118·17	38·80	24·18	145·75	178·54	222·94
(2) Redemption of permanent Debt (Net)..	7·76	—	—	38·55	—	—	—
(3) Loans and Advances (Net)	57·63	60·16	85·39	124·47	184·21	224·45	304·60
C.—Surplus (+) or Deficit (−)	**−62·04**	**−124·39**	**−94·24**	**−69·84**	**+26·45**	**+17·87**	**+30·31**
III. MISCELLANEOUS (Net)	+15·26	− 2·79	− 8·23	+ 0·05	− 0·12	− 0·71	+ 0·14
IV. OVERALL SURPLUS (+) OR DEFICIT (−)	**+12·44**	**+ 0·91**	**−63·54**	**−61·29**	**+10·97**	**+12·16**	**+13·10**
V.—CASH BALANCE							
(*a*) Opening	149·50	161·78	162·68	99·14	50·85	37·85	50·01
(*b*) Closing	161·94	162·69	99·14	37·85	61·82	50·01	63·11

Note.—Accounts are provisional. Budget Estimates for 1955-56 relate to those presented to the *Lok Sabha*.

(*a*) Includes credit of Rs. 9 crores taken towards the payment of debt instalment from Pakistan.
(*b*) Effect of budget proposals as finally amended.
(*c*) Taking into account the effect of budget proposals and subsequent amendments to them.
(*d*) Includes the sale proceeds of American (Loan) wheat transferred to the Special Development Fund from 1951-52 onwards.

STATEMENT 51

Revenue and Expenditure of the Government of India

(REVENUE ACCOUNT)

(Crores of Rupees)

	1950-51 (Accounts)	1951-52 (Accounts)	1952-53 (Accounts)	1953-54 (Accounts)	1954-55 (Budget)	1954-55 (Revised)	1955-56 (Budget)
Revenue							
(1) **Taxes on Income** (*i*+*ii*) ..	**125·70**	**134·74**	**128·25**	**107·09**	**109·02**	**109·04**	**112·23** +4·50(*a*)
(*i*) Taxes on Income other than Corporation Tax	132·73	146·19	141·43	122·84	126·65	126·59	125·23 +8·70(*a*)
Less : States' Share	47·52	52·86	56·98	57·29	55·98	55·96	52·77 +4·20(*a*)
Net Receipts	85·21	93·33	84·45	65·55	70·67	70·63	72·46 +4·50(*a*)
(*ii*) Corporation Tax	40·49	41·41	43·80	41·54	38·35	38·41	39·77
(2) **Taxes on Commodities and Services** (*i*+*ii*+*iii*)	**227·49**	**320·44**	**257·05**	**253·93**	**278·57**	**283·87**	**288·68** +8·32(*a*)
(*i*) Customs							
Imports	107·70	141·59	118·07	119·60	134·20	140·30	115·30
Exports	47·36	90·74	55·97	38·53	40·50	38·10	48·20
Other Revenue	6·37	4·76	4·59	3·55	2·80	3·00	3·00
Less : Refunds	—4·28	—5·40(*b*)	—4·88	—2·97	—2·50	—1·40	—1·50
Net Receipts	157·15	231·69	173·75	158·71	175·00	180·00	165·00 —0·50(*a*)
(*ii*) Union Excise Duties ..	67·54	85·78	83·03	94·98	103·30	103·65	123·45 +8·82(*a*)
(*iii*) Other Taxes and Duties ..	2·80	2·97	0·27	0·24	0·27	0·22	0·23
(3) **Taxes on Property and Capital Transactions** (*i*+*ii*+*iii*) ..	**3·81**	**4·81**	**1·76**	**2·26**	**2·25**	**2·10**	**2·18**
(*i*) Estate Duty	—	—	—	—	4·00	1·26	3·00
Less : States' Share	—	—	—	—	3·75	1·18	2·79
Net Receipts	—	—	—	—	0·25	0·08	0·21
(*ii*) Stamps and Registration ..	1·81	1·93	1·33	1·50	1·47	1·55	1·51
(*iii*) Land Revenue	2·00	2·88	0·43	0·76	0·53	0·47	0·46
(4) **Total Tax Revenue** (*1*+*2*+*3*) ..	**357·00**	**459·99**	**387·06**	**363·28**	**389·84**	**395·01**	**403·09** +12·82(*a*)

(5) **Administrative Receipts** ..	**12·53**	**14·35**	**13·10**	**12·09**	**12·10**	**12·61**	**12·44**
(6) **Net Contributions of Public Undertakings**	**23·16**	**20·98**	**16·61**	**21·63**	**26·39**	**25·70**	**26·15**
(*i*) Railways	6·50	6·93	7·11	6·95	7·37	7·08	6·15
(*ii*) Posts and Telegraphs ..	3·98	3·43	1·87	2·40	1·50	1·40	0·70
(*iii*) Currency and Mint	9·71	8·79	7·21	13·14	17·79	17·27	19·82
(Profits of the Reserve Bank)	(9·91)	(8·34)	(7·50)	(12·50)	(17·50)	(17·50)	(20·00)
(*iv*) Others(*c*)	2·97	1·83	0·42	−0·86	−0·27	−0·05	−0·52
(7) **Other Revenue**	**13·17**	**14·17**	**12·83**	**12·80**	**17·53**	**11·09**	**20·16**
(8) **Total Revenue** (4+5+6+7) ..	**405·86**	**509·49**	**429·60**	**409·80**	**445·86**	**444·41**	**461·84** +12·82(*a*)
Expenditure							
(9) Direct Demands on Revenue ..	10·24	12·87	27·84	26·24	28·95	27·29	29·61
Of which: (States' Share of Union Excise Duties	—	—	(16·83)	(15·55)	(16·29)	(15·11)	(16·66)
(10) Civil Administration(*d*)	21·29	24·10	23·30	26·74	31·10	32·03	35·04
(11) Defence Services (Net)	164·13	170·96	179·52	186·30	205·62	198·02	202·68
(12) Debt Services(*e*)	37·36	39·00	36·50	40·82	40·00	39·40	39·20
(13) Pensions and Superannuation ..	6·99	8·55	7·84	8·60	8·45	8·77	9·12
(14) Extra-ordinary charges(*f*) ..	0·07	6·78	7·63	10·41	22·23	21·02	—
(15) Miscellaneous(*g*)	44·28	54·78	38·25	20·71	17·91	20·24	32·11
(16) Development Services(*h*) ..	39·50	42·49	41·72	51·53	71·05	67·31	105·05
(17) Contributions and Miscellaneous Adjustments between Union and State Government(*i*)	15·59	17·31	22·80	25·91	32·48	32·06	35·93
(18) Other Expenditure(*j*)	7·19	4·56	5·27	4·04	3·43	3·27	3·27
(19) **Total Expenditure**	**346·64**	**381·40**	**390·67**	**401·30**	**461·22**	**449·41**	**492·01**
Surplus (+) *or Deficit* (−) ..	*+59·22*	*+128·09*	*+38·93*	*+8·50*	*−15·36*	*−5·00*	*−17·35(k)*

Note.—Accounts are provisional. Certain adjustments have been made in 'total revenue' and 'total expenditure'; these items, therefore, do not agree with those in Statement 50. Budget estimates for 1955-56 relate to those presented to the *Lok Sabha*. Total revenue in the budget for 1954-55 includes credit of Rs. 9 crores taken towards the payment of debt instalment from Pakistan.

(*a*) Effect of budget proposals as finally amended. (*b*) Includes payment of Rs. 0·91 crore to Travancore-Cochin. (*c*) Includes forests, opium, irrigation, electricity, road and water transport schemes. (*d*) Comprises General Administration, Audit, Administration of Justice, Jails, Police, External Affairs and Tribal Areas. (*e*) Include appropriation for reduction or avoidance of debt. (*f*) Include provision for grants to States for G. M. F. Schemes, relief in natural calamities etc. From 1954-55, these items are transferred to miscellaneous expenditure under appropriate Ministries. (*g*) Comprises grants to educational institutions and certain items of developmental expenditure. (*h*) Irrigation and multi-purpose river schemes, ports and pilotage, light houses and light ships, scientific departments, education, medical, public health, agriculture, rural development, veterinary, co-operation, industries and supplies, aviation, broadcasting, civil works, post-war reconstruction and electricity schemes and miscellaneous departments. (*i*) Include grants-in-aid to States. (*j*) Famine, stationery and printing, civil defence and pre-partition payments. (*k*) Taking into account the effect of budget proposals and subsequent amendments to them.

STATEMENT 52

Capital Budget of the Government of India

(Crores of Rupees)

	1950-51 (Accounts)	1951-52 (Accounts)	1952-53 (Accounts)	1953-54 (Accounts)	1954-55 Budget	1954-55 Revised	1955-56 (Budget)
RECEIPTS							
New Loans	38·09	111·30	33·65	76·83	78·28	160·96	141·89
Inter-State Debt Settlement	—	—	—	—	—	10·92	4·68
Treasury Bills*	16·10	−43·69	0·95	19·66	250·00	220·00	340·00
Treasury Deposit Receipts*	− 7·13	11·47	−18·03	− 0·15	—	—	—
Treasury Savings Deposit Certificates*	5·47	13·10	7·40	6·38	7·50	5·00	5·00
Small Savings*	28·05	25·38	32·76	31·43	37·73	44·44	46·60
Other Unfunded Debt*	8·30	10·16	8·58	15·16	15·39	15·84	17·00
Railway Funds*	17·55	20·04	0·34	− 9·31	−13·47	−13·92	− 6·87
Other Reserve Funds*	0·16	0·26	0·39	0·19	− 0·62	− 0·16	− 0·54
Appropriation for Reduction or Avoidance of Debt	5·00	5·00	5·00	5·00	5·00	5·00	5·00
E. P. T. and Income-Tax Deposits* ..	−33·21	−39·27	−36·72	−14·67	− 4·23	− 2·55	− 1·33
Repayment of Loans by States ..	8·08	12·22	13·80	13·21	20·90	24·05	24·92
Special Development Funds** ..	—	51·02	34·07	16·90	45·12	22·73	58·51
Contingency Fund	15·00	—	—	—	—	—	—
Other Items	19·09	− 7·95	−12·42	77·39‡	24·35	36·65	32·68
Total Receipts	**120·55**	**169·04**	**69·77**	**238·02**	**465·95**	**528·96**	**667·54**
Surplus (+) or Deficit (−)	*−62·04*	*−124·39*	*−94·24*	*−69·84*	*+26·45*	*+17·87*	*+30·31*
DISBURSEMENTS							
Capital Outlay							
Non-Development							
Defence	4·19	10·17	5·96	10·16	17·75	13·09	22·38
Payment of Commuted Value of Pensions	− 6·57	− 6·61	− 6·91	− 7·08	− 6·79	− 6·95	− 6·94
State Trading Schemes	− 2·26	12·63	−18·43	−25·44	− 3·11	58·48	29·00
Currency, Mint and Security Printing Press	3·26	0·25	0·12	0·36	0·79	0·61	8·39
Others†	15·01	46·99	26·59	—	3·99	7·64	20·98
Total—Non-Development ..	**13·63**	**63·43**	**7·33**	**—22·00**	**12·63**	**72·87**	**73·81**
Development							
Railways	25·41	23·21	7·05	11·85	33·93	32·49	66·09
Posts & Telegraphs	7·07	4·96	6·53	7·66	11·49	11·45	11·85
Civil Aviation	1·82	1·51	0·88	1·37	3·34	2·87	5·28
Irrigation and Multi-Purpose River Schemes	2·56	3·97	4·10	4·26	4·19	4·16	4·53
Civil Works	9·11	11·37	11·27	13·38	31·12	21·17	17·12
Industrial Development	8·90	8·34	0·40	5·07	24·10	15·04	16·42
Other Heads††	2·53	1·39	1·56	2·59	24·95	18·49	28·20
Total—Development	**57·40**	**54·75**	**31·79**	**46·18**	**133·12**	**105·67**	**149·49**
Total Capital Outlay	**71·03**	**118·18**	**39·12**	**24·18**	**145·75**	**178·54**	**223·30**
Discharge of Permanent Debt	45·85	87·94	5·89	115·39	53·02	48·31	73·06
Inter-State Debt Settlement	—	—	—	—	—	1·10	0·45
Advances to States	61·46	60·77	91·97	125·94	181·44	223·24	282·51
Advances to States from S.D.F. ..	—	14·94	19·82	28·71	32·97	31·67	7·68
Other Loans and Advances*	4·25	11·60	7·21	13·64	26·32	28·23	50·23
Total Disbursements	**182·59**	**293·43**	**164·01**	**307·86**	**439·50**	**511·09**	**637·23**

* Figures are net. ** Receipts comprise the sale proceeds of (*i*) American (Loan) wheat, (*ii*) wheat received under the Colombo Plan and (*iii*) assistance under (*a*) the Colombo Plan and (*b*) Indo-U.S. Technical Co-operation Agreement and Other Aid.

‡ Inclusive of the credit (Rs. 40 crores) shown in the Cash Balance Investment Account on account of the 3 per cent Loan, 1953-55 which matured during the year (1953-54).

† Include contingency fund, transfer of the sale proceeds of American (Loan) wheat and payments to displaced persons.

†† Include Ports, Grants to States for development purposes, etc.

STATEMENT 53

Budgetary Position of Part A States

(On Revenue Account)

(Lakhs of Rupees)

States	REVENUE						EXPENDITURE			
	Tax Revenue				Non-Tax Revenue (d)	Total Revenue	Non-Development Expenditure (e)	Development Expenditure (f)	Total Expenditure	Surplus (+) or Deficit (−)
	Taxes on Income(a)	Taxes on Property and Capital Transactions(b)	Taxes on Commodities and Services(c)	Total						
	1	2	3	4	5	6	7	8	9	10
Assam										
1951-52 (Accounts) ..	2,51	2,15	2,66	**7,32**	**3,49**	**10,81**	4,78	5,67	**10,45**	**+ 36**
1952-53 (Accounts) ..	2,50	2,39	3,16	**8,05**	**5,80**	**13,85**	4,98	7,17	**12,15**	**+ 1,70**
1953-54 (Accounts) ..	2,37	2,27	3,24	**7,88**	**6,02**	**13,90**	5,38	7,93	**13,31**	**+ 59**
1954-55 (Budget) ..	2,04	2,50	3,10	**7,64**	**6,30**	**13,94**	5,37	10,85	**16,22**	**− 2,28**
1954-55 (Revised) ..	2,65	2,64	4,07	**9,36**	**7,52**	**16,88**	6,30	12,54	**18,84**	**− 1,96**
1955-56 (Budget) ..	2,57	2,69	4,37	**9,63**	**8,82**	**18,45**	6,11	14,76	**20,87**	**− 2,42**
Bihar										
1951-52 (Accounts) ..	7,10	4,22	11,19	**22,51**	**11,28**	**33,79**	14,76	17,55	**32,31**	**+ 1,48**
1952-53 (Accounts) ..	6,45	5,28	12,84	**24,57**	**11,13**	**35,70**	12,74	14,99	**27,73**	**+ 7,97**
1953-54 (Accounts) ..	6,45	6,23	12,42	**25,10**	**8,07**	**33,17**	15,02	16,08	**31,10**	**+ 2,07**
1954-55 (Budget) ..	6,02	6,58	11,89	**24,49**	**7,02**	**31,51**	15,88	23,25	**39,13**	**− 7,62**
1954-55 (Revised) ..	6,03	6,92	11,80	**24,75**	**21,61**(*g*)	**46,36**(*g*)	21,59	26,14	**47,73**(*h*)	**− 1,37**
1955-56 (Budget) ..	5,52	8,97	12,26	**26,75**	**10,23**	**36,98**	20,42	31,52	**51,94**	**−14,96**
Bombay										
1951-52 (Accounts) ..	10,99	12,12	21,47	**44,58**	**16,94**	**61,52**	30,27	31,13	**61,40**	**+ 12**
1952-53 (Accounts) ..	10,67	11,80	22,20	**44,67**	**16,51**	**61,18**	32,87	34,25	**67,12**	**− 5,94**
1953-54 (Accounts) ..	10,76	12,11	27,48	**50,35**	**20,68**	**71,03**	34,84	35,04	**69,88**	**+ 1,15**
1954-55 (Budget) ..	10,22	13,66	27,88	**51,76**	**19,42**	**71,18**	35,68	35,31	**70,99**	**+ 19**
1954-55 (Revised) ..	10,39	13,31	29,41	**53,11**	**17,18**	**70,29**	36,15	33,56	**69,71**	**+ 58**
1955-56 (Budget) ..	9,56	13,43	28,80	**51,79**	**26,75**	**78,54**	36,12	42,20	**78,32**	**+ 22**
Madhya Pradesh										
1951-52 (Accounts) ..	3,18	5,70	6,10	**14,98**	**7,44**	**22,42**	8,65	8,39	**17,04**	**+ 5,38**
1952-53 (Accounts) ..	3,23	6,46	7,03	**16,72**	**6,23**	**22,95**	9,33	8,97	**18,30**	**+ 4,65**
1953-54 (Accounts) ..	3,25	6,53	6,82	**16,60**	**7,42**	**24,02**	11,45	12,32	**23,77**	**+ 25**
1954-55 (Budget) ..	3,16	6,97	6,71	**16,84**	**10,64**	**27,48**	14,55	14,78	**29,33**	**− 1,85**
1954-55 (Revised) ..	3,16	7,01	6,90	**17,07**	**11,04**	**28,11**	14,49	15,54	**30,03**	**− 1,92**
1955-56 (Budget) ..	2,91	7,01	6,62	**16,54**	**14,70**	**31,24**	12,77	21,29	**34,06**	**− 2,82**
Madras										
1951-52 (Accounts) ..	9,15	12,21	23,53	**44,89**	**13,20**	**58,09**	26,80	36,30	**63,10**	**− 5,01**
1952-53 (Accounts) ..	9,42	11,53	24,64	**45,59**	**11,46**	**57,05**	26,56	40,47	**67,03**	**− 9,98**
1953-54 (Budget) ..	8,95	13,88	26,36	**49,19**	**15,19**	**64,38**	25,58	38,80	**64,38**	**—**
1954-55 (Budget) ..	5,58	8,51	17,55	**31,64**	**11,98**	**43,62**	16,73	27,47	**44,20**	**− 58**
1954-55 (Revised) ..	5,67	8,69	16,62	**30,98**	**13,21**	**44,19**	16,88	29,80	**46,68**	**− 2,49**
1955-56 (Budget) ..	5,50	8,94	17,23	**31,67**	**13,55**	**45,22**	16,22	32,31	**48,53**	**−3,31**(*i*)

(*a*) Includes share of income-tax, agricultural income-tax and profession tax.

(*b*) Covers estate duty, land revenue, stamps and registration and urban immovable property tax.

(*c*) Comprises excise duties, sales tax, entertainment tax, electricity duties, motor vehicles tax, sugarcane cess, tobacco duties, taxes on prize competitions, raw jute, etc.

(*d*) Includes administrative receipts, net contribution of public enterprises, grants-in-aid and other contributions from the Centre, etc.

(*e*) Covers direct demands on revenue debt services, civil administration, miscellaneous, famine, pensions, stationery and printing, etc.

(*f*) Including education, medical and public health, agriculture, veterinary and co-operation, irrigation, electricity schemes, rural and community development projects, civil works, industries, scientific departments, miscellaneous departments, aviation, etc.

(*g*) Inclusive of miscellaneous revenue of Rs. 11 crores of which the main items are transfer from contingency fund Rs. 7·2 crores and receipts in connection with relief (famine) operations Rs. 3·6 crores.

(*h*) Inclusive of expenditure on famine relief of Rs. 5·6 crores.

(*i*) Without taking credit for new tax proposals in the case of Madras.

STATEMENT 53—(*Contd.*)

(Lakhs of Rupees)

States	REVENUE: Tax Revenue: Taxes on Income (a)	Taxes on Property and Capital Transactions (b)	Taxes on Commodities and Services (c)	Total	Non-Tax Revenue (d)	Total Revenue	EXPENDITURE: Non-Development Expenditure (e)	Development Expenditure (f)	Total Expenditure	Surplus (+) or Deficit (−)
	1	2	3	4	5	6	7	8	9	10
Andhra										
1954-55 (Budget) ..	3,24	5,53	6,76	15,53	5,00	20,53	9,07	14,45	23,52	− 2,99
1954-55 (Revised) ..	3,29	5,51	6,38	15,18	5,69	20,87	9,74	14,62	24,36	− 3,49
1955-56 (Budget) ..	3,00	5,66	6,47	15,13	6,22	21,35	9,35	14,97	24,32	− 2,97
Orissa										
1951-52 (Accounts) ..	1,70	1,64	3,64	6,98	4,66	11,64	4,49	6,05	10,54	+ 1,10
1952-53 (Accounts) ..	2,14	1,81	4,20	8,15	4,09	12,24	4,67	6,47	11,14	+ 1,10
1953-54 (Accounts) ..	2,14	2,15	4,07	8,36	3,53	11,89	5,97	6,86	12,83	− 94
1954-55 (Budget) ..	2,10	2,10	4,10	8,30	5,36	13,66	6,28	8,12	14,40	− 74
1954-55 (Revised) ..	2,11	2,34	3,93	8,38	5,84	14,22	7,24	8,91	16,15	− 1,93
1955-56 (Budget) ..	2,06	2,33	4,17	8,56	7,59	16,15	8,25	9,78	18,03	− 1,88
Punjab										
1951-52 (Accounts) ..	2,87	2,97	5,13	10,97	6,12	17,09	8,48	6,89	15,37	+ 1,72
1952-53 (Accounts) ..	2,06	2,98	5,49	10,53	7,02	17,55	9,04	6,67	15,71	+ 1,84
1953-54 (Accounts) ..	2,08	3,24	6,36	11,68	8,08	19,76	10,78	8,12	18,90	+ 86
1954-55 (Budget) ..	2,02	3,34	6,30	11,66	9,33	20,99	11,09	10,83	21,92	− 93
1954-55 (Revised) ..	1,93	3,51	6,77	12,21	8,10	20,31	9,58	10,80	20,38	− 7
1955-56 (Budget) ..	1,82	4,02	7,04	12,88	14,73	27,61	13,01	15,37	28,38	− 77
Uttar Pradesh										
1951-52 (Accounts) ..	10,42	10,19	16,13	36,74	14,65	51,39	28,02	23,31	51,33	+ 6
1952-53 (Accounts) ..	10,27	14,37	18,60	43,24	17,48	60,72	34,97	25,75	60,72	—
1953-54 (Accounts) ..	10,18	23,19	22,04	55,41	15,98	71,39	40,02	28,54	68,56	+ 2,83
1954-55 (Budget) ..	9,72	22,18	20,12	52,02	19,25	71,27	43,42	31,76	75,18	− 3,91
1954-55 (Revised) ..	9,90	23,35	20,08	53,33	20,64	73,97	40,32	33,65	73,97	—
1955-56 (Budget) ..	9,24	25,60	20,21	55,05	22,29	77,34	42,21	40,63	82,84	− 5,50
West Bengal										
1951-52 (Accounts) ..	7,70	5,47	17,18	30,35	7,70	38,05	20,30	16,47	36,77	+ 1,28
1952-53 (Accounts) ..	7,47	5,35	17,42	30,24	6,67	36,91	20,29	18,10	38,39	− 1,48
1953-54 (Accounts) ..	7,64	5,35	16,96	29,95	7,51	37,46	23,27	21,08	44,35	− 6,89
1954-55 (Budget) ..	7,30	5,32	16,06	28,68	10,54	39,22	25,34	27,26	52,60	−13,38
1954-55 (Revised) ..	7,41	4,69	17,27	29,37	11,51	40,88	27,59	27,21	54,80	−13,92
1955-56 (Budget) ..	6,88	7,53	17,90	32,31	12,65	44,96	29,97	32,11	62,08	−17,12
TOTAL										
1951-52 (Accounts) ..	55,62	56,67	1,07,03	2,19,32	85,48	3,04,80	1,46,55	1,51,76	2,98,31	+ 6,49
1952-53 (Accounts) ..	54,21	61,97	1,15,58	2,31,76	86,39	3,18,15	1,55,45	1,62,84	3,18,29	− 14
1953-54 (Accounts)‡ ..	53,82	74,95	1,25,75	2,54,52	92,48	3,47,00	1,72,31	1,74,77	3,47,08	− 8
1954-55 (Budget) ..	51,40	76,69	1,20,47	2,48,56	1,04,84	3,53,40	1,83,41	2,04,08	3,87,49	−34,09
1954-55 (Revised) ..	52,54	77,97	1,23,23	2,53,74	1,22,34	3,76,08	1,89,88	2,12,77	4,02,65	−26,57
1955-56 (Budget) ..	49,06	86,18	1,25,07	2,60,31	1,37,53	3,97,84	1,94,43	2,54,94	4,49,37	−51,53

Note.—For foot-notes, please see previous page.

‡ As accounts for 1953-54 are not available for Madras (Composite State), budget estimates are used in totals.

STATEMENT 54

Budgetary Position of Part B States

(On Revenue Account)

(Lakhs of Rupees)

States	REVENUE						EXPENDITURE			
	Tax Revenue				Non-Tax Revenue (d)	Total Revenue	Non-Development Expenditure (e)	Development Expenditure (f)	Total Expenditure	Surplus (+) or Deficit (−)
	Taxes on Income (a)	Taxes on Property and Capital Transactions (b)	Taxes on Commodities and Services (c)	Total						
	1	2	3	4	5	6	7	8	9	10
Hyderabad										
1951-52 (Accounts) ..	10	5,41	15,39	20,90	8,68	29,58	16,92	10,98	27,90	+ 1,68
1952-53 (Accounts) ..	2,51	4,98	14,52	22,01	4,45	26,46	15,57	9,47	25,04	+ 1,42
1953-54 (Accounts) ..	2,53	5,67	12,37	20,57	4,78	25,35	16,14	10,35	26,49	− 1,14
1954-55 (Budget) ..	2,72	5,71	13,68	22,11	5,47	27,58	15,89	12,75	28,64	− 1,06
1954-55 (Revised) ..	2,72	5,84	12,95	21,51	7,00	28,51	16,31	13,73	30,04	− 1,53
1955-56 (Budget) ..	2,57	6,01	13,13	21,71	8,50	30,21	15,22	17,20	32,42	− 2,21
Madhya Bharat										
1951-52 (Accounts) ..	6	2,96	4,18	7,20	3,87	11,07	5,37	5,52	10,89	+ 18
1952-53 (Accounts) ..	96	3,64	4,11	8,71	2,65	11,36	5,97	5,84	11,81	− 45
1953-54 (Accounts) ..	97	4,20	4,86	10,03	4,02	14,05	5,58	6,83	12,41	+ 1,64
1954-55 (Budget) ..	1,04	3,80	4,32	9,16	5,35	14,51	5,46	8,91	14,37	+ 14
1954-55 (Revised) ..	1,04	4,28	4,81	10,13	3,46	13,59	5,79	9,57	15,36	− 1,77
1955-56 (Budget) ..	96	4,42	4,02	9,40	8,67	18,07	5,78	12,47	18,25	− 18
Mysore										
1951-52 (Accounts) ..	—	1,83	4,53	6,36	7,55	13,91	5,29	8,66	13,95	− 4
1952-53 (Accounts) ..	—	1,78	4,07	5,85	8,62	14,47	5,26	8,46	13,72	+ 75
1953-54 (Accounts) ..	7	1,81	4,33	6,21	8,92	15,13	5,15	10,09	15,24	− 11
1954-55 (Budget) ..	11	2,04	4,40	6,55	8,23	14,78	5,97	11,90	17,87	− 3,09
1954-55 (Revised) ..	12	2,17	4,48	6,77	8,46	15,23	5,45	11,77	17,22	− 1,99
1955-56 (Budget) ..	11	2,61	4,75	7,47	9,20	16,67	6,42	14,35	20,77	− 4,10
PEPSU										
1951-52 (Accounts) ..	15	1,13	3,16	4,44	1,61	6,05	2,66	1,96	4,62	+ 1,43
1952-53 (Accounts) ..	41	1,24	2,76	4,41	1,69	6,10	3,07	2,27	5,34	+ 76
1953-54 (Accounts) ..	42	1,41	3,25	5,08	1,80	6,88	3,61	3,11	6,72	+ 16
1954-55 (Budget) ..	45	1,70	2,71	4,86	2,32	7,18	3,62	3,63	7,25	− 7
1954-55 (Revised) ..	45	1,48	3,25	5,18	2,34	7,52	3,85	4,01	7,86	− 34
1955-56 (Budget) ..	42	1,65	3,02	5,09	2,92	8,01	4,16	5,90	10,06	− 2,05

(*a*) Includes share of income-tax and agricultural income-tax.
(*b*) Covers estate duty, land revenue and stamps and registration.
(*c*) Comprises excise duties, sales tax, entertainment tax, electricity duties, motor vehicles tax and other taxes and duties.
(*d*) Includes administrative receipts, net contribution of public enterprises, grants-in-aid and other contribution from the Centre etc.
(*e*) Covers direct demands on revenue, debt services, civil administration, miscellaneous, famine and other expenditure.
(*f*) Including education, medical and public health, agriculture, veterinary and co-operation, irrigation, electricity schemes, rural and community development projects, civil works, industries and other expenditure.
(*g*) Excluding supplementary demands.

STATEMENT 54—(*Contd.*)

(Lakhs of Rupees)

States	REVENUE						EXPENDITURE			
	Tax Revenue				Non-Tax Revenue (d)	Total Revenue	Non-Development Expenditure (e)	Development Expenditure (f)	Total Expenditure	Surplus (+) or Deficit (−)
	Taxes on Income (a)	Taxes on Property and Capital Transactions (b)	Taxes on Commodities and Services (c)	Total						
	1	2	3	4	5	6	7	8	9	10
Rajasthan										
1951-52 (Accounts) ..	13	3,66	7,44	**11,23**	**3,99**	**15,22**	9,09	6,38	**15,47**	− 25
1952-53 (Accounts) ..	1,92	4,62	7,18	**13,72**	**4,18**	**17,90**	8,90	6,79	**15,69**	+ 2,21
1953-54 (Accounts) ..	1,94	4,36	7,55	**13,85**	**4,66**	**18,51**	9,74	8,24	**17,98**	+ 53
1954-55 (Budget) ..	2,23	5,30	7,16	**14,69**	**6,29**	**20,98**	10,60	10,38	**20,98**	—
1954-55 (Revised) ..	2,18	4,77	7,82	**14,77**	**6,64**	**21,41**	10,63	10,58	**21,21**	+ 20
1955-56 (Budget) ..	2,03	6,44	5,20	**13,67**	**7,91**	**21,58**	10,57	13,40	**23,97**	− 2,39
Saurashtra										
1951-52 (Accounts) ..	—	1,84	1,06	**2,90**	**4,57**	**7,47**	4,33	4,25	**8,58**	− 1,11
1952-53 (Accounts) ..	—	3,18	88	**4,06**	**5,71**	**9,77**	7,31	4,37	**11,68**	− 1,91
1953-54 (Accounts) ..	—	3,63	1,45	**5,08**	**5,48**	**10,56**	4,10	4,32	**8,42**	+ 2,14
1954-55 (Budget) ..	—	3,28	1,13	**4,41**	**6,83**	**11,24**	4,72	7,00	**11,72**	−48(g)
1954-55 (Revised) ..	—	3,50	1,50	**5,00**	**6,98**	**11,98**	5,67	6,96	**12,63**	− 65
1955-56 (Budget) ..	—	3,37	1,35	**4,72**	**8,02**	**12,74**	5,43	8,45	**13,88**	− 1,14
Travancore-Cochin										
1951-52 (Accounts) ..	99	1,90	5,81	**8,70**	**8,54**	**17,24**	6,26	6,70	**12,96**	+ 4,28
1952-53 (Accounts) ..	96	1,82	5,57	**8,35**	**7,58**	**15,93**	6,89	8,57	**15,46**	+ 47
1953-54 (Accounts) ..	87	1,79	5,57	**8,23**	**7,95**	**16,18**	5,32	8,54	**13,86**	+ 2,32
1954-55 (Budget) ..	1,00	1,80	5,67	**8,47**	**8,21**	**16,68**	6,83	10,43	**17,26**	− 58(g)
1954-55 (Revised) ..	1,25	1,82	5,45	**8,52**	**7,90**	**16,42**	5,78	10,46	**16,24**	+ 18
1955-56 (Budget) ..	1,05	1,90	5,66	**8,61**	**7,87**	**16,48**	5,26	15,60	**20,86**	− 4,38
TOTAL										
1951-52 (Accounts)..	**1,43**	**18,73**	**41,57**	**61,73**	**38,81**	**1,00,54**	**49,92**	**44,45**	**94,37**	**+ 6,17**
1952-53 (Accounts)..	**6,76**	**21,26**	**39,09**	**67,11**	**34,88**	**1,01,99**	**52,97**	**45,77**	**98,74**	**+ 3,25**
1953-54 (Accounts)..	**6,80**	**22,87**	**39,38**	**69,05**	**37,61**	**1,06,66**	**49,64**	**51,48**	**1,01,12**	**+ 5,54**
1954-55 (Budget) ..	**7,55**	**23,63**	**39,07**	**70,25**	**42,70**	**1,12,95**	**53,09**	**65,00**	**1,18,09**	**− 5,14**
1954-55 (Revised) ..	**7,76**	**23,86**	**40,26**	**71,88**	**42,78**	**1,14,66**	**53,48**	**67,08**	**1,20,56**	**− 5,90**
1955-56 (Budget) ..	**7,14**	**26,40**	**37,13**	**70,67**	**53,09**	**1,23,76**	**52,84**	**87,37**	**1,40,21**	**− 16,45**

Note.—For foot-notes, please see previous page.

STATEMENT 55

Budgetary Position of Part C States

(On Revenue Account)

(Lakhs of Rupees)

States	REVENUE: Tax Revenue: Taxes on Income (a)	Taxes on Property and Capital Transactions (b)	Taxes on Commodities and Services (c)	Total	Non-Tax Revenue (d)	Total Revenue	EXPENDITURE: Non-Development Expenditure (e)	Development Expenditure (f)	Total Expenditure	Surplus (+) or Deficit (−)
	1	2	3	4	5	6	7	8	9	10
AJMER										
1952-53 (Accounts) ..	—	8	26	34	1,77	2,11	1,33	75	2,08	+ 3
1953-54 (Accounts) ..	—	10	31	41	1,19	1,60	61	84	1,45	+ 15
1954-55 (Budget) ..	—	8	44	52	1,71	2,23	83	1,40	2,23	—
1954-55 (Revised) ..	—	8	31	39	1,53	1,92	78	1,25	2,03	− 11
1955-56 (Budget) ..	—	10	44	54	2,16	2,70	93	1,77	2,70	—
BHOPAL										
1952-53 (Accounts) ..	—	45	19	64	1,34	1,98	72	1,13	1,85	+ 13
1953-54 (Accounts) ..	—	50	21	71	1,47	2,18	74	1,47	2,21	− 3
1954-55 (Budget) ..	2	56	20	78	2,20	2,98	88	2,10	2,98	—
1954-55 (Revised) ..	2	56	20	78	2,04	2,82	95	2,00	2,95	− 13
1955-56 (Budget) ..	3	57	20	80	2,42	3,22	1,01	2,28	3,29	− 7
COORG										
1952-53 (Accounts) ..	14	7	16	37	37	74	23	42	65	+ 9
1953-54 (Accounts) ..	21	7	20	48	43	91	19	67	86	+ 5
1954-55 (Budget) ..	10	8	18	36	66	1,02	22	1,09	1,31	− 29
1954-55 (Revised) ..	17	8	21	46	59	1,05	26	95	1,21	− 16
1955-56 (Budget) ..	17	8	20	45	60	1,05	28	1,05	1,33	− 28
DELHI										
1952-53 (Accounts) ..	—	49	2,46	2,95	83	3,78	1,28	2,09	3,37	+ 41
1953-54 (Accounts) ..	—	53	2,71	3,24	94	4,18	1,51	2,30	3,81	+ 37
1954-55 (Budget) ..	—	51	2,76	3,27	1,29	4,56	1,94	3,10	5,04	− 48
1954-55 (Revised) ..	—	52	2,86	3,38	1,33	4,71	1,84	3,21	5,05	− 34
1955-56 (Budget) ..	—	52	2,84	3,36	2,20	5,56	1,93	4,02	5,95	− 39
HIMACHAL PRADESH										
1952-53 (Accounts) ..	—	24	16	40	1,23	1,63	58	1,02	1,60	+ 3
1953-54 (Accounts) ..	—	23	17	40	1,59	1,99	68	1,24	1,92	+ 7
1954-55 (Budget) ..	—	23	17	40	2,08	2,48	75	1,73	2,48	—
1954-55 (Revised) ..	—	25	16	41	2,24	2,65	84	1,76	2,60	+ 5
1955-56 (Budget) ..	—	24	31	55	2,36	2,91	87	2,13	3,00	− 9
VINDHYA PRADESH										
1952-53 (Accounts) ..	—	84	51	1,35	76	2,11	1,19	1,36	2,55	− 44
1953-54 (Accounts) ..	1	96	52	1,49	2,93	4,42	1,53	1,94	3,47	+ 95
1954-55 (Budget) ..	3	1,05	55	1,63	2,92	4,55	1,77	2,78	4,55	—
1954-55 (Revised) ..	2	1,11	59	1,72	2,69	4,41	1,84	2,94	4,78	− 37
1955-56 (Budget) ..	3	1,19	64	1,86	3,67	5,53	1,88	3,72	5,60	− 7
TOTAL										
1952-53 (Accounts) ..	14	2,17	3,74	6,05	6,30	12,35	5,33	6,77	12,10	+ 25
1953-54 (Accounts) ..	22	2,39	4,12	6,73	8,55	15,28	5,26	8,46	13,72	+1,56
1954-55 (Budget) ..	15	2,51	4,30	6,96	10,86	17,82	6,39	12,20	18,59	− 77
1954-55 (Revised) ..	21	2,60	4,33	7,14	10,42	17,56	6,51	12,11	18,62	−1,06
1955-56 (Budget) ..	23	2,70	4,63	7,56	13,41	20,97	6,90	14,97	21,87	− 90

(a) Include agricultural income-tax and profession tax.
(b) Cover land revenue, stamps and registration.
(c) Motor vehicles tax, State excise, entertainment tax, sales tax and electricity duties.
(d) Administrative receipts, net contributions of public undertakings, grants-in-aid and other contributions from the Centre.
(e) Direct demands on revenue, debt services, civil administration, pensions, stationery and printing.
(f) Education, medical and public health, agriculture, veterinary and co-operation, industries and supplies, irrigation and multi-purpose schemes, electricity schemes, community projects, civil works and miscellaneous and scientific departments.

STATEMENT 56

Railway Finances

(Crores of Rupees)

	1950-51 Actuals	1951-52 Actuals	1952-53 Actuals	1953-54 Actuals	1954-55 Budget	1954-55 Revised	1955-56 Budget
I. Capital-at-Charge	**827·04**	**850·11**	**857·38**	**869·30**	**909·09**	**894·98**	**961·07**
II. Total Receipts (1+2)	**263·30**	**291·16**	**270·87**	**274·60**	**273·56**	**282·87**	**292·55**
1. **Gross Traffic Receipts** ..	**263·01**	**290·82***	**270·56**	**274·29**	**273·25**	**282·80**	**292·50**
(*a*) Passenger	97·84	109·88	100·38	100·00	101·51	101·80	104·50
(*b*) Other Coaching ..	16·64	19·87	18·17	18·01	17·50	19·00	18·00
(*c*) Goods	143·01	156·79	146·12	147·18	148·60	156·00	163·90
(*d*) Other Earnings† ..	5·52	4·28	5·89	9·10	5·64	6·00	6·10
2. **Miscellaneous Earnings** ..	**0·29**	**0·34**	**0·31**	**0·31**	**0·31**	**0·07**	**0·05**
III. Total Expenses (1+2+3+4) ..	**215·74**	**229·41**	**223·69**	**237·68**	**232·92**	**241·34**	**249·34**
1. **Ordinary Working Expenses**	**180·23**	**194·04***	**187·96**	**201·47**	**194·31**	**202·77**	**206·58**
Administrative	23·36	24·62	26·18	27·88	28·20	29·45	30·81
Repairs and Maintenance	57·11	62·57	64·21	68·08	66·73	70·74	74·12
Operating Staff	35·41	38·93	41·16	43·40	44·02	45·20	48·15
Operation (fuel)	30·72	31·00	22·20	23·98	22·17	23·76	23·62
Operation (other than staff & fuel)	13·35	14·40	13·48	13·96	10·02	10·58	8·87
Miscellaneous	19·39	20·49	17·12	18·64	19·94	18·13	16·38
Labour Welfare	3·19	3·60	3·64	4·03	4·21	4·24	4·81
Suspense	−2·30	−1·57	−0·03	1·50	−0·98	0·67	−0·18
2. **Depreciation**	**30·00**	**30·00**	**30·00**	**30·00**	**30·00**	**30·00**	**35·00**
3. **Payments to Worked Lines**	**0·25**	**0·31**	**0·21**	**0·28**	**0·22**	**0·19**	**0·21**
4. **Miscellaneous Expenses** ..	**5·26**	**5·06**	**5·52**	**5·93**	**8·39**	**8·38**	**7·55**
(*a*) Open Line Works ..	3·93	3·98	4·05	4·38	6·62	6·62	5·68
(*b*) Others	1·33	1·08	1·47	1·55	1·77	1·76	1·87
IV. Net Revenues (II—III) ..	**47·56**	**61·75**	**47·18**	**36·92**	**40·64**	**41·53**	**43·21**
V. Dividend to General Revenues	**32·51**	**33·41**	**33·99**	**34·36**	**35·50**	**34·96**	**36·07**
VI. Surplus (IV—V)	**15·05**	**28·34**	**13·19**	**2·56**	**5·14**	**6·57**	**7·14**
VII. Appropriation to :							
(*a*) Development Fund ..	10·00	10·00	12·00	2·56	5·14	6·57	—
(*b*) Revenue Reserve Fund	5·05	18·34	1·19	—	—	—	7·14

† Include suspense.

* Figures of earnings and ordinary working expenses for 1951-52 are inclusive of the freight charges on railway materials including coal and other fuel of Rs. 16·31 crores and Rs. 15·01 crores, respectively. Figures from 1952-53 do not include these freight charges. From 1954-55, these freight charges are included under several demands and have been treated as recoveries.

STATEMENT 57

Railway Reserve Funds

(Crores of Rupees)

	Appropriations†	Withdrawals	Net accretion	Closing balance*
I. Depreciation Reserve Fund				
1950-51	33·59	26·63	6·96	123·65
1951-52	33·79	35·87	−2·08	122·02
1952-53	34·42	40·89	−6·47	116·36
1953-54	33·97	38·02	−4·05	112·79
1954-55 (RE)	33·75	43·86	−10·11	102·68
1955-56 (BE)	38·61	41·98	−3·37	99·31
II. Revenue Reserve Fund				
1950-51	5·40	−0·01	5·41	13·58
1951-52	19·12	−0·18	19·30	33·72
1952-53	2·26	−0·04	2·30	36·05
1953-54	1·13	—	1·13	37·18
1954-55 (RE)	1·19	—	1·19	38·37
1955-56 (BE)	8·50	—	8·50	46·87
III. Development Fund				
1950-51	10·52	5·35	5·17	19·44
1951-52	10·65	7·70	2·95	22·48
1952-53	12·76	8·10	4·66	27·14
1953-54	3·29	9·81	−6·52	20·62
1954-55 (RE)	7·14	12·14	−5·00	15·62
1955-56 (BE)	0·31	12·32	−12·01	3·61
IV. Total				
1950-51	**49·51**	**31·97**	**17·54**	**156·67**
1951-52	**63·56**	**43·39**	**20·17**	**178·22**
1952-53	**49·44**	**48·95**	**0·49**	**179·55**
1953-54	**38·39**	**47·83**	**−9·44**	**170·59**
1954-55 (RE)	**42·08**	**56·00**	**−13·92**	**156·67**
1955-56 (BE)	**47·42**	**54·30**	**−6·88**	**149·79**

† Including interest.
* Figures are provisional as the balances of the ex-States' Railways merged therein are not yet finalised.

STATEMENT 58

Interest-Bearing Obligations and Interest-Yielding Assets of the Government of India

(Lakhs of Rupees)

I. **Interest-Bearing Obligations**	1950-51 Revised	1951-52 Revised	1952-53 Revised	1953-54 Revised	1954-55 Revised	1955-56 Budget
In India						
1 Loans	1,438,46	1,402,10	1,403,58	1,366,05	1,474,91	1,531,11
2 Treasury Bills, Ways and Means Advances and Treasury Deposit Receipts	373,20	335,01	319,19	405,29	554,95	894,95
3 Small Savings	326,25	372,57	417,64	454,87	505,39	556,99
4 Depreciation and Reserve Funds	155,56	171,47	170,18	171,96	174,25	166,78
5 Others	207,26	193,02	189,14	155,68	190,48	206,95
6 **Total**	**2,500,73**	**2,474,17**	**2,499,73**	**2,553,85**	**2,899,98**	**3,356,78**
In England						
7 Loans	1,35	1,24	1,20	1,13	70	67
8 Others	34,82	32,24	29,03	27,84	26,56	25,28
9 **Total**	**36,17**	**33,48**	**30,23**	**28,97**	**27,26**	**25,95**
10 *Dollar Loans*	24,60	112,04	113,74	111,80	111,91	126,06
11 **Total Interest-Bearing Obligations**	**2,561,50**	**2,619,69**	**2,643,70**	**2,694,62**	**3,039,15**	**3,508,79**
II. **Interest-Yielding Assets**						
12 Capital advanced to Railways	814,13	833,63	864,23	875,16	901,72	967,81
13 Capital advanced to other Commercial Departments	90,11	112,95	81,25	88,24	115,33	138,19
14 Investment in Commercial Concerns	—	—	—	27,14	40,82	57,24
15 Capital advanced to States and other Interest-Bearing Loans	216,97	284,32	377,47	482,78	734,05	1,038,65
16 Debt due from Burma and Pakistan	348,15	348,15	348,15	348,15	300,00*	300,00*
17 Deposits with U. K. Government for redemption of Railway Annuities	10,96	8,53	5,44	4,33	3,18	1,99
18 Purchase of Annuities for Sterling Pensions	200,89	193,58	186,32	178,03	170,98	164,03
19 **Total Interest-Yielding Assets**	**1,681,21**	**1,781,16**	**1,862,86**	**2,003,83**	**2,266,08**	**2,667,91**
20 Cash and Securities held on Treasury Account	141,97	198,70	136,18	70,44	65,38	65,66
21 Balance of total Interest-Bearing Obligations not covered by above Assets	738,32	639,83	644,66	620,35	707,69	775,22

* Due from Pakistan only.

STATEMENT 59

Debt Position of the Government of India

(Crores of Rupees)

End of March	Rupee Debt: Un-dated	Percentage to Total	Over 10 years	Percentage to Total	Between 5 and 10 years	Percentage to Total	Under 5 years	Percentage to Total	Treasury Bills	Percentage to Total	Small Savings*	Percentage to Total	Other obligations**	Percentage to Total	Total	Percentage increase (+) or decrease (−)	External Debt§
1951 ..	257·85	*10·4*	519·33	*21·0*	342·51	*13·9*	318·77	*12·9*	364·72†	*14·8*	326·25	*13·2*	342·81	*13·9*	**2,472·24**	*+2·3*	**49·81**
1952 ..	257·85	*10·5*	463·47	*18·8*	450·14	*18·3*	232·05	*9·4*	332·51†	*13·5*	372·57	*15·2*	351·24	*14·3*	**2,459·83**	*−0·9*	**136·99**
1953 ..	257·85	*10·3*	387·60	*15·6*	411·67	*16·5*	346·46	*13·9*	315·44†	*12·7*	412·61	*16·5*	361·82	*14·5*	**2,493·45**	*+1·4*	**138·53**
1954 ..	257·85	*10·3*	271·43	*10·8*	546·93	*21·8*	288·06	*11·5*	334·95	*13·4*	450·51	*18·0*	355·44	*14·2*	**2,505·17**	*+0·5*	**136·44**
1955 ..	257·85	*9·1*	241·14	*8·5*	621·70	*21·9*	353·70	*12·5*	471·87	*16·6*	502·18	*17·6*	391·97	*13·8*	**2,840·41**	*+13·4*	**133·20**

Note.—Figures are provisional.

* Including Ten-year Treasury Savings Deposit Certificates. ** Including (1) unclaimed balances of old loans which have ceased to bear interest from the date of discharge, (2) balance of special loans, (3) balances of State Provident Funds, Pension Funds, and other accounts such as General Family Pension Fund, the Hindu Family Annuity Fund, the Postal Insurance and Life Annuity Fund, etc., and (4) the amount of Three-year Interest-Free Bonds and Five-year Interest Free Prize Bonds. § Consisting of sterling debt and dollar loans; the latter amounted Rs. 24·60 crores, Rs. 112·04 crores, Rs. 113·74 crores, Rs. 111·80 crores and Rs. 111·91 crores at the end of March 1951, 1952, 1953, 1954 and 1955, respectively. † Including Treasury Deposit Receipts.

STATEMENT 60

Consolidated Debt Position of Part A States†

(Lakhs of Rupees)

	At the end of 1950-51	1951-52	1952-53	1953-54	1954-55§
I. Public Debt—					
(*a*) Permanent Debt	58,07	69,11	80,44	105,37	118,60
(*b*) Floating Debt	2,26	2,62	19,10*	21	6,06
(*c*) Loans from Central Government	155,12	217,23	281,69	397,86	557,59
II. Unfunded Debt	30,41	33,92	37,52	42,11	46,18
III. Gross Total Debt (Total of I and II)	**245,86**	**322,88**	**418,75**	**545,55**	**728,43**
IV. Appropriation for Reduction or Avoidance of Debt ..	2,84	6,58	8,14	6,42	12,32

† Based on actual returns furnished by the States excepting in the case of Assam, where the information for 1951-22 is taken from budget papers.
* The abnormal increase is on account of substantial ways and means advance (Rs. 18 crores) taken by the Madras Government. § Revised.

STATEMENT 61

Government of India Three Months Treasury Bills (Annual and Monthly)

(Lakhs of Rupees)

Year			Amount offered for tender	Amount tendered	Amount sold	*Average yield per cent per annum*	Amount sold in favour of the Reserve Bank of India†	Amount outstanding at the end of period††
1950-51	..	..					13,94,35	3,58,02
1951-52	..	..					13,35,50	3,14,34
1952-53	..	..	42,00	65,60	42,00	*2·22*	12,33,09	3,15,29
1953-54	..	..	56,50	91,38	56,50	*2·45*	13,09,06	3,34,95
1954-55	..	..	23,50	37,97	23,50	*2·53*	15,23,81	4,71,87
April	1954	..	3,00	4,37	3,00	*2·68*	53,27	3,60,61
May	,,	..	—	—	—	—	2,66,01	3,63,49
June	,,	..	—	—	—	—	38,99	3,61,27
July	,,	..	—	—	—	—	51,27	3,56,27
August	,,	..	—	—	—	—	2,64,30	3,54,56
September	,,	..	—	—	—	—	35,12	3,47,19
October	,,	..	—	—	—	—	57,83	3,53,75
November	,,	..	4,50	7,75	4,50	*2·47*	2,61,24	3,58,69
December	,,	..	4,00	5,33	4,00	*2·50*	32,41	3,50,44
January	1955	..	4,00	5,38	4,00	*2·51*	69,61	3,75,76
February	,,	..	4,00	8,90	4,00	*2·52*	2,71,00	3,85,03
March	,,	..	4,00	6,25	4,00	*2·52*	1,22,76	4,71,87

Note.—Sales of Treasury bills were suspended from December 20, 1949 upto September 9, 1952 and again from April 20, 1954 to November 2, 1954. † Including creation/renewal of *ad hoc* Treasury bills. †† Comprising amount outstanding on account of (*i*) Treasury bills held by the public, (*ii*) Treasury bills held by State Governments and other approved bodies, (*iii*) *ad hocs* created in 1948-49 for holding in the Bank's Issue Department to replace sterling securities transferred to the U.K. Government in terms of the Sterling Balances Agreement of July 1948 and (*iv*) *ad hocs* created in 1954-55 and held in the Issue Department for replenishing the Centre's cash balances. The outstandings of *ad hocs* under (*iii*) and (*iv*) above amounted to Rs. 274·51 crores at the end of 1950-51, Rs. 267·51 crores at the end of 1951-52, Rs. 260·51 crores at the end of 1952-53, Rs. 253·32 crores at the end of 1953-54 and Rs. 356·52 crores at the end of 1954-55.

STATEMENT 62

Government of India Three Months Treasury Bills (Weekly), 1954-55

(Thousands of Rupees)

1954-55 Week Ended		Sales to Public: Amount offered	Amount tendered	Amount sold	Amount discharged	Amount outstanding	Average rate of discount of accepted tenders	Amount sold in favour of the Reserve Bank of India†	Total Amount Outstanding††
April	1 to 2	1,00,00	1,01,50	1,00,00	—	13,00,00	2·69	17,00,00	352,95,00
,,	9	1,00,00	1,42,50	1,00,00	1,00,00	13,00,00	2·67	8,17,75	358,05,75
,,	16	1,00,00	1,92,75	—	99,50	12,00,50	2·67	6,02,50	357,23,75
,,	23	—	—	1,00,00	1,00,50	12,00,00	—	9,12,75	356,35,75
,,	30	—	—	—	1,00,00	11,00,00	—	12,94,25	360,60,75
May	7	—	—	—	1,00,00	10,00,00	—	247,31,50	359,85,25
,,	14	—	—	—	1,00,00	9,00,00	—	4,82,75	360,10,00
,,	21	—	—	—	1,00,00	8,00,00	—	6,88,25	361,00,25
,,	28	—	—	—	1,00,00	7,00,00	—	6,98,25	363,48,50
June	4	—	—	—	—	7,00,00	—	1,17,50	362,56,75
,,	11	—	—	—	1,26,75	5,73,25	—	14,15,50	363,39,00
,,	18	—	—	—	73,25	5,00,00	—	14,96,50	366,46,75
,,	25	—	—	—	1,00,00	4,00,00	—	6,14,50	363,41,75
July	2	—	—	—	2,00,00	2,00,00	—	12,64,00	353,36,00
,,	9	—	—	—	1,00,00	1,00,00	—	8,95,50	353,13,75
,,	16	—	—	—	—	1,00,00	—	8,85,75	355,97,00
,,	23	—	—	—	1,00,00	—	—	10,22,75	356,07,00
,,	30	—	—	—	—	—	—	11,99,00	355,11,75
August	6	—	—	—	—	—	—	249,29,50	357,09,75
,,	13	—	—	—	—	—	—	3,70,75	355,97,75
,,	20	—	—	—	—	—	—	8,35,25	357,44,75
,,	27	—	—	—	—	—	—	4,09,25	354,56,00
September	3	—	—	—	—	—	—	16,75	354,67,00
,,	10	—	—	—	—	—	—	12,51,75	352,00,25
,,	17	—	—	—	—	—	—	11,86,75	351,81,50
,,	24	—	—	—	—	—	—	8,19,50	347,86,75
October	1	—	—	—	—	—	—	11,91,50	341,96,75
,,	8	—	—	—	—	—	—	2,81,00	343,52,75
,,	15	—	—	—	—	—	—	19,47,25	351,94,50
,,	22	—	—	—	—	—	—	16,38,50	358,01,75
,,	29	—	—	—	—	—	—	4,25,00	356,14,75
November	5	—	—	—	—	—	—	6,86,25	353,63,50
,,	12	1,50,00	1,54,00	1,50,00	—	1,50,00	2·48	243,54,25	355,20,50
,,	19	1,50,00	3,29,50	1,50,00	—	3,00,00	2·47	5,57,50	357,13,00
,,	26	1,50,00	2,91,50	1,50,00	—	4,50,00	2·48	7,58,75	356,14,75
December	3	1,50,00	2,25,00	1,50,00	—	6,00,00	2·50	3,26,25	360,24,25
,,	10	1,50,00	2,06,00	1,50,00	—	7,50,00	2·50	11,11,50	360,34,00
,,	17	1,00,00	1,01,50	1,00,00	—	8,50,00	2·50	9,28,50	358,75,75
,,	24	—	—	—	—	8,50,00	—	8,67,75	359,23,75
,,	31	—	—	—	—	8,50,00	—	3,11,25	350,43,75
January	7	1,00,00	1,61,50	88,50	—	9,38,50	2·50	10,52,00	361,84,25
,,	14	1,00,00	1,30,00	1,09,00	—	10,47,50	2·50	30,44,25	372,50,75
,,	21	1,00,00	1,25,50	1,02,50	—	11,50,00	2·52	13,07,75	373,31,00
,,	28	1,00,00	1,21,00	14,50	—	11,64,50	2·53	7,75,00	373,45,50
February	4	1,00,00	1,37,75	1,85,50	—	13,50,00	2·52	9,94,00	377,38,75
,,	11	1,00,00	1,59,25	1,00,00	—	14,50,00	2·53	248,14,00	382,98,50
,,	18	1,00,00	2,20,50	92,50	1,50,00	13,92,50	2·53	8,97,50	386,81,00
,,	25	1,00,00	3,72,00	1,07,00	1,50,00	13,49,50	2·50	6,26,75	386,06,00
March	4	1,00,00	2,76,50	1,00,50	3,00,00	11,50,00	2·48	13,94,00	385,47,25
,,	11	1,00,00	1,40,00	1,00,00	1,49,00	11,01,00	2·50	20,39,00	400,28,25
,,	18	1,00,00	1,06,25	1,00,00	99,00	11,02,00	2·53	54,33,00	443,58,00
,,	25	1,00,00	1,02,00	98,00	—	12,00,00	2·56	6,36,00	441,74,50
,,	26 to 31	—	—	2,00	2,00	12,00,00	—	33,23,75	471,87,00

Note :—Sales of Treasury bills were suspended from April 20, 1954 to November 2, 1954.

† Including creation/renewals of *ad hoc* Treasury bills

†† Comprising amount outstanding on account of (*i*) Treasury bills held by the public, (*ii*) Treasury bills held by State Governments and other approved bodies, (*iii*) *ad hocs* created in 1948-49 for holding in the Bank's Issue Department to replace sterling securities transferred to the U.K. Government in terms of the Sterling Balances Agreement of July 1948 and (*iv*) *ad hocs* created in 1954-55 and held in the Issue Department for replenishing the Centre's cash balances. The outstandings of *ad hocs* under (*iii*) and (*iv*) above amounted to Rs. 356·52 crores at the end of 1954-55.

PRINCIPAL ITEMS OF

	Post Office Savings Bank Deposits				National Savings Certificates(*a*)				Treasury Savings Deposit Certificates			
	Gross Re-ceipts	Repay-ments	Net Re-ceipts	Out-standings at the end of the period	Gross Re-ceipts	Repay-ments	Net Re-ceipts	Out-standings at the end of the period	Gross Re-ceipts	Repay-ments	Net Re-ceipts	Out-standings at the end of the period
	1	2	3	4	5	6	7	8	9	10	11	12
1 1950-51 ..	101,07	84,80	16,27	61,37	23,71	6,37	17,34	57,91	5,31	—	5,31	5,31
2 1951-52 ..	107,56	94,73	12,83	74,20	24,60	6,74	17,86	75,77	13,10	2	13,08	18,39
3 1952-53 ..	113,35	95,52	17,83	92,03	25,93	7,44	18,49	94,26	7,55	30	7,25	25,64
4 1953-54 ..	117,37(*e*)	103,11	14,26	1,06,29	28,40	8,11	20,29	1,14,55	6,94	47	6,47	32,11
5 1954-55(*f*) ..	130,30	109,24	21,06	1,27,35	28,88	9,08	19,80	1,34,35	5,57	53	5,04	37,15
6 April 1953	9,66	7,66	2,00	94,03	2,41	67	1,74	96,00	80	5	75	26,39
7 May ,,	9,56	8,77	79	94,82	2,23	57	1,66	97,66	66	5	61	27,00
8 June ,,	9,44	9,44	—	94,82	2,40	63	1,77	99,43	59	3	56	27,56
9 July ,,	10,25	8,83	1,42	96,24	2,35	67	1,68	1,01,11	66	2	64	28,20
10 August ,,	8,76	7,31	1,45	97,69	2,33	53	1,80	1,02,91	69	3	66	28,86
11 September ,,	9,20	8,15	1,05	98,74	2,15	61	1,54	1,04,45	59	5	54	29,40
12 October ,,	8,58	8,58	—	98,74	2,09	65	1,44	1,05,89	56	3	53	29,93
13 November ,,	7,88	8,06	−18	98,56	2,13	66	1,47	1,07,36	46	5	41	30,34
14 December ,,	9,35	8,58	77	99,33	2,37	80	1,57	1,08,93	45	3	42	30,76
15 January 1954	8,91	7,99	92	1,00,25	2,20	72	1,48	1,10,41	50	3	47	31,23
16 February ,,	9,49	7,85	1,64	1,01,89	2,23	64	1,59	1,12,00	54	4	50	31,73
17 March ,,	16,29	11,89	4,40	1,06,29	3,51	96	2,55	1,14,55	44	6	38	32,11
18 April ,,	10,70	9,48	1,22	1,07,51	2,24	84	1,40	1,15,97	70	4	66	32,77
19 May ,,	10,02	10,40	−38	1,07,13	1,81	79	1,02	1,16,99	54	5	49	33,26
20 June ,,	10,48	9,38	1,10	1,08,23	1,98	72	1,26	1,18,25	39	4	35	33,61
21 July ,,	11,40	8,61	2,79	1,11,02	2,39	72	1,67	1,19,92	47	5	42	34,03
22 August ,,	10,23	8,18	2,05	1,13,07	2,32	61	1,71	1,21,63	45	4	41	34,44
23 September ,,	10,23	9,05	1,18	1,14,25	2,63	75	1,88	1,23,51	54	4	50	34,94
24 October ,,	8,96	8,23	73	1,14,98	2,01	70	1,31	1,24,82	42	3	39	35,33
25 November ,,	10,24	8,91	1,33	1,16,31	2,37	73	1,64	1,26,46	36	5	31	35,64
26 December ,,	11,36	9,11	2,25	1,18,56	2,45	87	1,58	1,28,04	40	6	34	35,98
27 January 1955	10,51	8,97	1,54	1,20,10	2,62	74	1,88	1,29,92	43	4	39	36,37
28 February ,,	11,13	8,95	2,18	1,22,28	2,39	83	1,56	1,31,48	40	3	37	36,74
29 March(*f*) ,,	15,04	9,97	5,07	1,27,35	3,66	79	2,87	1,34,35	47	6	41	37,15

Note :—Figures relate to Indian Union; the outstandings do not include the Indian Union's share of pre-partition liabilities.

(*a*) Include twelve-year, seven-year and five-year National Savings Certificates, the last being discontinued with effect from July 1, 1953.

(*e*) Includes Rs. 4·21 crores on account of interest allowed during the year.

(*f*) Figures are provisional; constituent items, therefore, do not necessarily add up to the totals.

SMALL SAVINGS (ANNUAL AND MONTHLY)

(Lakhs of Rupees)

Post Office Cash Certificates, Defence Savings Bank Deposits and Defence Savings Certificates: Repayments	Net Receipts	Outstandings at the end of the period (*d*)	10 Year National Plan Certificates (*b*): Net Receipts	Outstandings	15 Year Annuity Certificates (*c*): Net Receipts	Outstandings	TOTAL: **Total Gross Receipts**	**Total Repayments**	**Total Net Receipts**	**Total Outstandings at the end of the period**	
13	14	15	16	17	18	19	20	21	22	23	
5,48	−5,48	−22,32	—	—	—	—	**1,30,09**	**96,65**	**33,44**	**1,02,27**	*1*
5,23	−5,23	−27,55	—	—	—	—	**1,45,26**	**1,06,72**	**38,54**	**1,40,81**	*2*
3,52	−3,52	−31,07	—	—	—	—	**1,46,83**	**1,06,78**	**40,05**	**1,80,86**	*3*
3,12	−3,12	−34,19	—	—	—	—	**1,52,71**	**1,14,81**	**37,90**	**2,18,76**	*4*
2,13	−2,13	−36,32	7,38	7,38	54	54	**1,72,66**	**1,20,99**	**51,67**	**2,70,43**	*5*
24	— 24	−31,31	—	—	—	—	**12,87**	**8,62**	**4,25**	**1,85,11**	*6*
22	— 22	−31,53	—	—	—	—	**12,45**	**9,61**	**2,84**	**1,87,95**	*7*
26	— 26	−31,79	—	—	—	—	**12,43**	**10,36**	**2,07**	**1,90,02**	*8*
30	— 30	−32,09	—	—	—	—	**13,26**	**9,82**	**3,44**	**1,93,46**	*9*
28	— 28	−32,37	—	—	—	—	**11,78**	**8,15**	**3,63**	**1,97,09**	*10*
35	— 35	−32,72	—	—	—	—	**11,94**	**9,16**	**2,78**	**1,99,87**	*11*
28	— 28	−33,00	—	—	—	—	**11,23**	**9,54**	**1,69**	**2,01,56**	*12*
24	— 24	−33,24	—	—	—	—	**10,47**	**9,01**	**1,46**	**2,03,02**	*13*
30	— 30	−33,54	—	—	—	—	**12,17**	**9,71**	**2,46**	**2,05,48**	*14*
24	— 24	−33,78	—	—	—	—	**11,61**	**8,98**	**2,63**	**2,08,11**	*15*
19	— 19	−33,97	—	—	—	—	**12,26**	**8,72**	**3,54**	**2,11,65**	*16*
22	— 22	−34,19	—	—	—	—	**20,24**	**13,13**	**7,11**	**2,18,76**	*17*
20	— 20	−34,39	—	—	—	—	**13,64**	**10,56**	**3,08**	**2,21,84**	*18*
17	— 17	−34,56	34	34	—	—	**12,71**	**11,41**	**1,30**	**2,23,14**	*19*
15	— 15	−34,71	49	83	—	—	**13,34**	**10,29**	**3,05**	**2,26,19**	*20*
23	— 23	−34,94	76	1,59	8	8	**15,10**	**9,61**	**5,49**	**2,31,68**	*21*
21	— 21	−35,15	89	2,48	6	14	**13,95**	**9,04**	**4,91**	**2,36,59**	*22*
20	— 20	−35,35	1,57	4,05	8	22	**15,05**	**10,04**	**5,01**	**2,41,60**	*23*
15	— 15	−35,50	60	4,65	5	27	**12,04**	**9,11**	**2,93**	**2,44,53**	*24*
18	— 18	−35,68	58	5,23	7	34	**13,62**	**9,87**	**3,75**	**2,48,28**	*25*
18	— 18	−35,86	56	5,79	4	38	**14,81**	**10,22**	**4,59**	**2,52,87**	*26*
16	— 16	−36,02	54	6,33	5	43	**14,15**	**9,91**	**4,24**	**2,57,11**	*27*
16	— 16	−36,18	48	6,81	7	50	**14,47**	**9,97**	**4,50**	**2,61,61**	*28*
14	— 14	−36,32	57	7,38	4	54	**19,78**	**10,96**	**8,82**	**2,70,43**	*29*

(*b*) Ten-year National Plan Certificates are being issued since May 10, 1954.
(*c*) Fifteen-year Annuity certificates are being issued since July 1, 1954.
(*d*) Represent progressive net repayments since August 15, 1947.

STATEMENT 64

Government Balances in India with the Reserve Bank of India and at Government Treasuries

(Lakhs of Rupees)

Reserve Bank of India						End of	Government Treasuries					
Central Government		Part A States		Part B States (a)			Central Government		Part A States		Part B States (b)	
1953-54	1954-55	1953-54	1954-55	1953-54	1954-55		1953-54	1954-55	1953-54	1954-55	1953-54	1954-55
99,76	86,31	17,18	21,51	4,77	6,80	April ..	1,93	2,46	1,82	1,64	4,31	2,41
107,50	113,85	12,74	17,05	5,09	4,66	May ..	1,79	2,32	1,73	1,49	3,25	2,07
127,11	126,27	13,60	21,91	4,86	3,63	June ..	1,90	2,32	2,06	1,57	2,62	2,00
112,19	131,60	25,61	17,49	10,39	4,75	July ..	1,75	2,25	1,81	1,50	2,77	1,93
132,70	143,05	18,68	14,10	5,30	2,88	August ..	2,04	1,90	1,89	1,59	2,79	1,70
128,31	142,93	25,65	12,94	3,85	1,99	September ..	2,38	2,33	1,41	1,64	2,98	1,63
111,29	101,24	27,58	20,66	4,45	2,38	October ..	2,61	2,49	1,77	1,48	2,73	1,60
96,66	80,61	24,45	14,91	6,61	1,61	November ..	2,48	2,06	1,34	1,50	2,49	1,63
116,74	54,12	15,62	14,68	3,86	2,07	December ..	2,31	1,80	1,46	1,68	2,38	1,71
104,78	62,04	17,71	17,93	4,77	4,27	January ..	2,40	1,72	1,87	1,69	2,43	1,58
85,26	53,61	22,06	16,72	6,88	6,09	February ..	2,28	1,92	1,93	1,99	2,70	1,79
40,26	33,33	53,59	56,73	12,13	15,46	March ..	58	12	1,06	89	2,58	1,82

(a) Data relate to Madhya Bharat, Travancore-Cochin, Mysore, Hyderabad and Saurashtra. (b) Data relate to Travancore-Cochin and Mysore.

STATEMENT 65

Central and State Government Loans

(OUTSTANDINGS AS ON MARCH 31, 1955)

(Lakhs of Rupees)

Central Government Loans	Amount Outstanding
2½% Loan, 1955	60,45·01
4½% " 1955-60	9,05·64
3 % Victory Loan, 1957	1,14,06·89
3 % Loan, 1958	50,35·63
4½% " 1958-68	5,85·20
3 % Second Victory Loan, 1959-61 ..	1,13,65·64
2¾% Loan, 1960	45,63·07
4 % " 1960-70	63,30·26
2½% " 1961	57,00·69
2¾% " 1962	75,86·72
3 % " 1963-65	1,16,17·46
3 % " 1964	30,33·10
3 % Funding Loan, 1966-68	1,10,11·78
3 % First Development Loan, 1970-75 ..	1,15,05·83
2¾% Loan, 1976	14,77·48
2½% Bhopal War Bonds, 1957	26·25
3 % Bhopal Loan, 1966-76	1,18·73
3½% National Plan Bonds, 1961 ..	75,29·00
3 % Loan, 1986 or later (Conversion Loan of 1946)	2,48,91·56
3 % Non-terminable Loan, 1896-97 ..	8,93·35
3½% National Plan Loan, 1964	1,58,09·48
	14,74,38·77
Loans not bearing interest	3,96·52
TOTAL	**14,78,35·29**

State Government Loans	Amount Outstanding
(A) Part A States	
3 % Bombay Loan, 1955..	2,96·86
3 % " " 1956	2,99·35
3 % " " 1958	3,06·66
3 % Bombay Development Loan, 1960 ..	2,92·30
3 % Bombay Tapi Irrigation and Development Loan, 1961	67·98
3 % Bombay Development Loan, 1962 ..	5,63·12
3½% Bombay State Development Loan, 1962	2,97·86
4 % " " " " 1963	5,50·35
4 % " " " " 1964	3,61·31
	30,35·79
4 % Bihar State Development Loan, 1963	**1,31·29**
3 % Madras Loan, 1955	1,23·25
3 % " " 1956	1,25·10
3 % " " 1958	1,07·95
3 % " " 1959	1,23·96
3 % Development Loan, 1960	2,78·44
3 % Madras Development Bonds, 1960 ..	4,38·25
2¾% " Loan, 1961	3,81·77
3½% " " 1962	3,01·49
4 % Madras Development Loan, 1963 ..	10,33·63
4 % " " " 1964 ..	5,24·81
	34,38·65

State Government Loans—(*Contd.*)	Amount Outstanding
3 % Madhya Pradesh Loan, 1955 ..	50·00
3 % " " " 1956 ..	50·54
3 % " " " 1958 ..	52·70
3 % " " " 1960 ..	1,01·45
3½% " " " 1962 ..	1,02·18
4 % Madhya Pradesh State Development Loan, 1963	1,10·18
3 % Madhya Pradesh State Development Loan, 1964	2,03·29
	6,70·34
3 % Uttar Pradesh Loan, 1958	3,02·24
3 % " " " 1960 ..	2,17·90
2¾% " " " 1961	2,20·94
3 % " " " 1961-66 ..	1,57·43
3½% " " " 1962	1,94·12
4 % Development Loan, 1963	5,65·16
4 % " " 1964	6,11·45
3¼% U. P. E. E. Act Bonds	1,89·42
	24,58·66
3½% West Bengal Loan, 1962	1,75·00
4 % " " " 1963	3,60·23
4 % " " " 1964	2,00·00
	7,35·23
Total (Part A States)	**1,04,69·96**
(B) Part B States†	
4 % Hyderabad State Development Loan, 1963	**3,34·71**
4 % Madhya Bharat State Development Loan, 1963	**1,04·78**
4 % Mysore State Development Loan, 1963	3,33·47
5 % Mysore Loan, 1955	1,63·44
4 % " " 1953-63	2,95·85
3 % " " 1956-61	5,99·73
3 % " " 1958	5,08·06
	19,00·55
4 % Saurashtra State Development Loan, 1963	1,13·16
4 % Saurashtra State (Local Bodies Development) Loan, 1964	2,52·00
	3,65·16
4 % Travancore-Cochin State Development Loan, 1963	**3,25·60**
TOTAL (PART B STATES) ..	**30,30·80**
TOTAL OF PART A AND PART B STATES	**1,35,00·76**

† The data relate to the period subsequent to the financial arrangement with the Reserve Bank of India.

STATEMENT 66

India's Overall Balance of Payments—1954

A. CURRENT ACCOUNT

(Crores of Rupees)

Item	January-March 1954			April-June 1954			July-September 1954			October-December 1954			Year: 1954 (Preliminary)		
	Receipts	Payments	*Net*	Receipts	Payments	*Net*	Receipts	Payments	*Net*	Receipts	Payments	*Net*	**Receipts**	**Payments**	*Net*
1. Merchandise (Exports *f.o.b.*, Imports *c.i.f.*)															
(*a*) Private	134·9	119·6	*+15·3*	123·9	134·0	*−10·1*	128·4	122·8	*+ 5·6*	160·2	130·9	*+29·3*	**547·4**	**507·3**	*+ 40·1*
(*b*) Government, Food and Stores(1) ..	0·6	20·2	*−19·6*	0·4	23·3	*−22·9*	0·2	38·6	*−38·4*	0·2	35·1	*−34·9*	**1·4**	**117·2**	*−115·8*
2. Non-monetary gold movement	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
3. Foreign travel(2) ..	0·4	2·1	*− 1·7*	0·4	3·2	*− 2·8*	0·3	2·8	*− 2·5*	0·5	2·1	*− 1·6*	**1·6**	**10·2**	*− 8·6*
4. Transportation(3) ..	8·2	2·0	*+ 6·2*	7·1	2·7	*+ 4·4*	8·2	2·7	*+ 5·5*	9·2	2·9	*+ 6·3*	**32·8**	**10·4**	*+ 22·4*
5. Insurance(3)	1·2	1·0	*+ 0·2*	1·3	1·0	*+ 0·3*	1·3	0·8	*+ 0·5*	1·3	1·2	*+ 0·1*	**5·1**	**3·9**	*+ 1·2*
6. Investment income(4)	5·8	6·0	*− 0·2*	5·9	6·8	*− 0·9*	6·2	6·7	*− 0·5*	4·0	7·2	*− 3·2*	**21·9**	**26·7**	*− 4·8*
7. Government, not included elsewhere(5) ..	5·9	5·1	*+ 0·8*	6·4	2·7	*+ 3·7*	4·8	3·0	*+ 1·8*	5·9	4·6	*+ 1·3*	**23·0**	**15·4**	*+ 7·6*
8. Miscellaneous(6) ..	6·6	2·9	*+ 3·7*	6·7	2·5	*+ 4·2*	6·4	3·6	*+ 2·8*	6·8	3·4	*+ 3·4*	**26·6**	**12·4**	*+ 14·2*
9. Donations															
(*i*) Official(7) ..	3·2	—	*+ 3·2*	1·4	—	*+ 1·4*	0·4	—	*+ 0·4*	—	—	—	**5·0**	—	*+ 5·0*
(*ii*) Private(8) ..	5·1	3·5	*+ 1·6*	4·9	5·0	*− 0·1*	6·0	3·6	*+ 2·4*	5·7	3·6	*+ 2·1*	**21·6**	**15·7**	*+ 5·9*
9*a*. Unclassified	10·4	0·9	*+ 9·5*	10·3	0·7	*+ 9·6*	8·8	0·4	*+ 8·4*	9·6	0·7	*+ 8·9*	**39·2**	**2·7**	*+ 36·5*
10. Total Current Transactions	**182·3**	**163·4**	*+18·9*	**168·7**	**181·8**	*−13·1*	**171·1**	**185·1**	*−14·0*	**203·5**	**191·6**	*+11·9*	**725·6**	**721·9**	*+ 3·7*
Errors and Omissions ..			*+ 6·6*			*− 9·1*			*+10·6*			*+ 0·1*			*+ 8·2*

(1) Transactions under Government barter deals have not been included. (2) Data for receipts are incomplete. (3) 'Transportation' receipts cover estimated
amounts for reimbursement of freight paid in advance by exporters and disbursements of foreign ships in Indian ports etc., and payments include operating expenses
abroad of Indian steam-ship companies and some freight payments. It may, however, be noted that the data given for this and the subsequent item 'Insurance' give only
a partial idea of the transactions on the two accounts. The two items are more or less complete on the receipts side but in regard to payments only a portion of the
expenditure is entered here. Payments for imports under item 1 are mostly on a *c.i.f.* basis and therefore incorporate all but a small portion of the expenditure incurred
by the country on 'Transportation' and 'Insurance'. (4) Receipts include interest on investments of the Reserve Bank of India. The payments figures are estimates.
Remittances of accumulated profits hitherto treated as payments under this head have now been reclassified as 'Private Long-term Capital' (*viz.*, item 11. Capital
Account). (5) The payments figures represent disbursements of the Government, *e.g.* for the upkeep of its organisations abroad and contributions to international organi-
sations. (6) Covers receipts and payments mainly for services, *e.g.*, for film rentals, technicians and agency services. (7) Represents contra entries for imports financed
by aid received under the Colombo Plan and Indo-American Technical Co-operation Agreement and receipts of cash grants from the Ford Foundation. The data are
incomplete as details of aid received during the latter half of the year are not available as yet. (8) Comprises unilateral transfers like maintenance remittances and
receipts of missionaries. Owing to the improvement in coverage, besides these usual items of unilateral transfers, remittances of savings, migrants' transfers etc., which
were hitherto classified under 'Private Long-term Capital' for want of relevant details, are now included here.

B. CAPITAL ACCOUNT

Net movement increasing (+) or decreasing (−)

(Crores of Rupees)

Item	January-March 1954			April-June 1954			July-September 1954			October-December 1954			Year: 1954 (Preliminary)		
	Assets	Liabilities	*Net Assets*	Assets	Liabilities	*Net Assets*	Assets	Liabilities	*Net Assets*	Assets	Liabilities	*Net Assets*	**Assets**	**Liabilities**	*Net Assets*
Private (excluding banking institutions)															
11. Long-term capital ..	− 1·9	− 1·8	*− 0·1*	− 1·5	− 2·8	*+ 1·3*	− 1·3	− 2·5	*+ 1·2*	− 2·0	− 2·3	*+ 0·2*	**−6·8**	**− 9·4**	*+ 2·6*
12. Short- term capital ..	− 0·1	+ 0·8	*− 0·9*	+ 0·1	+ 1·9	*− 1·9*	+ 0·2	− 7·6	*+ 7·8*	..	− 0·4	*+ 0·4*	**+ 0·1**	**− 5·3**	*+ 5·4*
Official and Banking Institutions															
13. Long-term capital															
13.1 Official loans(9) ..	—	+ 0·2	*− 0·2*	—	+ 0·6	*− 0·6*	—	—	—	—	—	—	—	**+ 0·9**	*− 0·9*
13.2 Bank loans ..	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
13.3 Portfolio securities(10) ..	—	+ 1·6	*− 1·6*	—	+ 1·3	*− 1·3*	+ 0·2	− 0·7	*+ 1·0*	—	+ 0·1	*− 0·1*	**+ 0·2**	**+ 2·3**	*− 2·1*
13.4 Amortisation(11)	− 2·0	− 2·8	*+ 0·8*	− 3·4	− 2·7	*− 0·7*	− 5·4	− 2·7	*− 2·7*	− 5·3	− 2·7	*− 2·7*	**−16·1**	**−10·9**	*− 5·2*
13.5 Other contractual repayments ..	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
13.6 Other(12) ..	—	− 0·6	*+ 0·6*	—	—	—	—	—	—	—	—	—	—	**− 0·6**	*+ 0·6*
14. Short-term capital															
14.1 Payments and clearing agreements ..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
14.2 Liabilities to IMF and IBRD(13) ..		−17·2	*+17·2*		—	—		− 5·0	*+ 5·0*		—	—		**−22·2**	*+22·2*
14.3 Other liabilities to official and banking institutions(14)		+12·5	*−12·5*		+11·7	*−11·7*		− 4·0	*+ 4·0*		− 4·9	*+ 4·9*		**+15·4**	*−15·4*
14.4 Other (15) ..	+21·6	− 0·7	*+22·3*	− 6·5	+ 0·9	*− 7·4*	−21·9	− 2·2	*−19·6*	+ 7·8	− 1·5	*+ 9·3*	**+ 1·1**	**− 3·6**	*+ 4·7*
15. Monetary gold ..	—		—	—		—	—		—	—		—	—		—
16. Total movement of capital and monetary gold ..	**+17·6**	**− 8·0**	*+25·5*	**−11·3**	**+10·9**	*−22·2*	**−28·2**	**−24·7**	*− 3·4*	**+ 0·5**	**−11·6**	*+12·0*	**−21·5**	**− 33·4**	*+ 11·9*

(9) Represents drawings on IBRD loans. (10) Includes on the assets side changes in holdings of foreign securities by commercial banks and on the liabilities side movements in rupee securities held on account of foreigners and small amounts of sterling stock repatriated during the year. (11) Principal repayment of IBRD loans is entered on the liabilities side in addition to payments to Railway Annuity holders and disbursements under Pensions Annuities. The entries on the assets side relate to withdrawals from Railway and Pensions Annuities and repayment of debt by Burma. (12) Represents the acquisition of the Barsi Light Railway. (13) Represents repurchase of rupees from the IMF (14) Includes movements in the rupee balances held by non-resident banks and official institutions, foreign exchange liabilities of authorised dealers and Treasury bills held by foreign official institutions in India. (15) Includes on the assets side mainly the changes in the foreign exchange assets of the Reserve Bank of India, the balances of the India Supply Mission, Washington and foreign exchange assets of authorised dealers. Liabilities cover movements in the rupee balances of non-resident individuals and firms and small releases of blocked assets by the Custodian of Ex-enemy Property. Net inflow of Indian currency notes in circulation from abroad is also included here. Some unrecorded outflow of notes may be a partial offset to this.

INDIA'S IMPORTS OF

Commodities	January-March 1954			April-June 1954			July-September 1954		
	Dollar Area	Others	Total	Dollar Area	Others	Total	Dollar Area	Others	Total
Class I									
Fruits and vegetables	—	2,95	**2,95**	—	1,24	**1,24**	—	1,69	**1,69**
Grain, pulse and flour	28	69	**97**	—	7,18	**7,18**	—	15,97	**15,97**
Provisions and oilman's stores ..	7	2,04	**2,11**	13	1,78	**1,91**	23	1,60	**1,83**
Spices	—	1,08	**1,08**	—	95	**95**	—	70	**70**
Tobacco	15	19	**34**	6	7	**13**	27	3	**30**
Others	70	97	**1,67**	—	72	**72**	1,46	1,04	**2,50**
Total for the Group	**1,20**	**7,92**	**9,12**	**19**	**11,94**	**12,13**	**1,96**	**21,03**	**22,99**
Class II									
Other non-metallic mining and quarry products and the like ..	19	95	**1,14**	7	1,54	**1,61**	11	1,14	**1,25**
Oils, vegetable, mineral and animal	4,18	19,20	**23,38**	4,43	24,32	**28,75**	4,59	18,83	**23,42**
Cotton, raw and waste	1,07	12,52	**13,59**	8,89	13,38	**22,27**	4,09	7,70	**11,79**
Wool, raw and waste	—	1,99	**1,99**	—	2,64	**2,64**	—	1,94	**1,94**
Others	29	4,70	**4,99**	28	5,18	**5,46**	57	5,68	**6,25**
Total for the Group	**5,73**	**39,36**	**45,09**	**13,67**	**47,06**	**60,73**	**9,36**	**35,29**	**44,65**
Class III									
Chemicals, drugs and medicines ..	1,31	5,20	**6,51**	1,58	5,81	**7,39**	2,15	5,94	**8,09**
Cutlery, hardware etc.	50	3,29	**3,79**	44	3,81	**4,25**	57	3,21	**3,78**
Dyes and colours	30	4,38	**4,68**	43	4,56	**4,99**	31	4,82	**5,13**
Electrical goods and apparatus ..	34	2,62	**2,96**	21	2,58	**2,79**	27	2,10	**2,37**
Machinery of all kinds	3,25	18,22	**21,47**	2,54	16,30	**18,84**	3,04	16,95	**19,99**
Metals, iron and steel and manufactures thereof	49	4,97	**5,46**	37	5,18	**5,55**	54	7,42	**7,96**
Metals, other than iron and steel and manufactures thereof	59	3,28	**3,87**	1,40	4,77	**6,17**	1,51	4,92	**6,43**
Paper, pasteboard and stationery ..	22	3,13	**3,35**	27	2,90	**3,17**	36	2,76	**3,12**
Vehicles	1,96	7,10	**9,06**	1,76	3,98	**5,74**	2,52	6,65	**9,17**
Cotton yarns and manufactures ..	—	1,01	**1,01**	—	61	**61**	—	53	**53**
Woollen yarns and manufactures ..	—	39	**39**	—	64	**64**	—	70	**70**
Other yarns and textile fabrics ..	—	3,42	**3,42**	—	2,94	**2,94**	—	3,55	**3,55**
Others	53	3,79	**4,32**	45	3,54	**3,99**	40	3,59	**3,99**
Total for the Group	**9,49**	**60,80**	**70,29**	**9,45**	**57,62**	**67,07**	**11,67**	**63,14**	**74,81**
TOTAL FOR ALL GROUPS	**16,51**	**1,09,17**	**1,25,68**	**23,39**	**1,17,41**	**1,40,80**	**23,03**	**1,20,08**	**1,43,11**

Note :—Imports from Pakistan have been excluded.

Source : Director-General of Commercial Intelligence and Statistics.

MENT 67

PRINCIPAL COMMODITIES§

(Lakhs of Rupees)

October-December 1954			January-March 1955			January-December 1954			April 1954-March 1955		
Dollar Area	Others	**Total**	Dollar Area	Others	**Total**	Dollar Area	Others	**Total**	Dollar Area	Others	**Total**
—	3,04	**3,04**	—	3,54	**3,54**	—	8,92	**8,92**	—	9,51	**9,51**
—	23,95	**23,95**	1,31	19,17	**20,48**	28	47,79	**48,07**	1,31	66,27	**67,58**
15	2,59	**2,74**	41	2,54	**2,95**	58	8,01	**8,59**	92	8,51	**9,43**
—	1,77	**1,77**	—	83	**83**	—	4,50	**4,50**	—	4,25	**4,25**
21	14	**35**	26	14	**40**	69	43	**1,12**	80	38	**1,18**
98	1,42	**2,40**	6,50	11,49	**17,99**	3,14	4,15	**7,29**	8,94	14,67	**23,61**
1,34	**32,91**	**34,25**	**8,48**	**37,71**	**46,19**	**4,69**	**73,80**	**78,49**	**11,97**	**1,03,59**	**1,15,56**
18	1,70	**1,88**	33	1,73	**2,06**	55	5,33	**5,88**	69	6,11	**6,80**
2,10	16,74	**18,84**	2,37	16,63	**19,00**	15,30	79,09	**94,39**	13,49	76,52	**90,01**
1,16	8,72	**9,88**	4,23	10,28	**14,51**	15,21	42,32	**57,53**	18,37	40,08	**58,45**
—	1,50	**1,50**	—	2,08	**2,08**	—	8,07	**8,07**	—	8,16	**8,16**
32	7,50	**7,82**	47	3,86	**4,33**	1,46	23,06	**24,52**	1,64	22,22	**23,86**
3,76	**36,16**	**39,92**	**7,40**	**34,58**	**41,98**	**32,52**	**1,57,87**	**1,90,39**	**34,19**	**1,53,09**	**1,87,28**
2,23	6,52	**8,75**	1,79	5,85	**7,64**	7,27	23,47	**30,74**	7,75	24,12	**31,87**
57	3,73	**4,30**	58	4,81	**5,39**	2,08	14,04	**16,12**	2,16	15,56	**17,72**
41	4,17	**4,58**	24	4,75	**4,99**	1,45	17,93	**19,38**	1,39	18,30	**19,69**
31	2,51	**2,82**	34	3,00	**3,34**	1,13	9,81	**10,94**	1,13	10,19	**11,32**
3,86	17,85	**21,71**	3,75	18,97	**22,72**	12,69	69,32	**82,01**	13,19	70,07	**83,26**
79	6,69	**7,48**	96	8,20	**9,16**	2,19	24,26	**26,45**	2,66	27,49	**30,15**
2,68	4,44	**7,12**	2,18	4,24	**6,42**	6,18	17,41	**23,59**	7,77	18,37	**26,14**
32	3,63	**3,95**	13	3,30	**3,43**	1,17	12,42	**13,59**	1,08	12,59	**13,67**
3,04	5,92	**8,96**	4,73	5,16	**9,89**	9,28	23,65	**32,93**	12,05	21,71	**33,76**
—	50	**50**	—	58	**58**	—	2,65	**2,65**	—	2,22	**2,22**
—	1,10	**1,10**	—	51	**51**	—	2,83	**2,83**	—	2,95	**2,95**
—	5,10	**5,10**	—	2,82	**2,82**	—	15,01	**15,01**	—	14,41	**14,41**
62	4,16	**4,78**	49	4,01	**4,50**	2,00	15,08	**17,08**	1,96	15,30	**17,26**
14,83	**66,32**	**81,15**	**15,19**	**66,20**	**81,39**	**45,44**	**2,47,88**	**2,93,32**	**51,14**	**2,53,28**	**3,04,42**
19,98	**1,36,20**	**1,56,18**	**31,09**	**1,38,78**	**1,69,87**	**82,91**	**4,82,86**	**5,65,77**	**97,49**	**5,12,47**	**6,09,96**

§ Provisional.

STATEMENT 68

Index Numbers of Exports and Imports

(Reserve Bank of India Series)

Period		Exports: Food, Drink and Tobacco	Exports: Raw Materials	Exports: Manufactured Articles	Exports: General	Imports: Food, Drink and Tobacco	Imports: Raw Materials	Imports: Manufactured Articles	Imports: General	*Net terms of trade*†
					Quantity Index					
1950-51		111	80	122	110	62	101	83	83	
1951-52		115	63	89	89	141	107	89	108	
1952-53		107	83	93	94	79	79	67	74	
1953-54		98	74	114	99	64	100	114	95	
1954-55		104	82	115	102	72	104	130	104	
April	1954	44	63	98	74	16	144	118	94	
May	,,	69	60	115	88	35	144	123	102	
June	,,	91	61	113	93	45	107	115	92	
July	,,	117	73	117	102	72	118	128	108	
August	,,	114	53	120	100	53	99	123	92	
September	,,	114	65	125	105	61	89	132	98	
October	,,	121	76	100	98	97	93	133	108	
November	,,	161	85	141	130	103	88	169	124	
December	,,	139	96	121	118	85	85	122	100	
January	1955	116	99	109	107	103	84	119	104	
February	,,	93	88	113	100	108	106	142	118	
March	,,	75	144	107	107	90	87	143	110	
					Price Index*					
1950-51		130	143	122	129	97	106	113	106	*122*
1951-52		151	191	185	178	118	173	145	147	*121*
1952-53		134	120	108	116	132	116	137	128	*91*
1953-54		107	99	84	94	91	93	98	93	*101*
1954-55		130	98	84	100	78	94	101	91	*110*
April	1954	120	98	85	98	83	94	98	95	*103*
May	,,	123	100	83	98	93	93	99	94	*104*
June	,,	124	101	85	100	80	93	104	91	*110*
July	,,	117	105	84	99	81	93	107	92	*108*
August	,,	123	101	84	99	78	91	103	90	*110*
September	,,	118	97	84	97	73	94	109	91	*107*
October	,,	126	98	83	99	71	102	107	93	*106*
November	,,	134	98	85	102	77	99	101	92	*111*
December	,,	136	99	86	103	76	98	108	93	*111*
January	1955	144	96	84	104	77	97	103	92	*113*
February	,,	145	103	85	106	77	106	105	96	*110*
March	,,	140	98	87	105	81	104	100	95	*111*

Note.—Base : 1948-49=100 upto 1952-53, and 1952-53=100 for 1953-54 and 1954-55.

† Ratio of Export Price Index to Import Price Index.

* Export Price Indices inclusive of duty.

STATEMENT 69

Changes in Import Controls and Import Policy, 1954-55

Date of Announcement		Details
January-June 1954	April 8, 1954	Liberalisation of import policy for the period January-June 1954 announced. Import quotas in respect of a number of items raised. Items included mainly iron and steel manufactures (like bolts, nuts and screws, etc.) electrical instruments and accessories, scientific and surgical instruments.
,,	May 11, 1954	Decision to grant additional licences to established importers during January-June 1954 for certain items like copper pipes, sheets, brass tubes and sheets, palm oil, photographic negatives and instruments etc.
Raw Cotton	June 16, 1954	Decision to issue licences for imports of raw cotton of staple length not less than $1\frac{1}{16}''$ from dollar and non-dollar areas for the period July-December 1954. Valid for shipment upto June 30, 1955 in respect of d llar area and for 12 months from the date of issue of licences in respect of non-dollar area.
July-December 1954	June 29, 1954	Import policy for the period July-December 1954 announced. Import quotas scaled down for 35 items and stepped up for 60 items ; procedure for issue of licences to all categories of importers simplified. The scope of licences under the export promotion scheme expanded.
,,	July 10, 1954	Import policy in respect of items covered by the exports promotion scheme announced. Accordingly imports of certain raw materials during July-December 1954 would be permitted against certain percentage of foreign exchange earned through exports of their manufactures.
,,	September 11, 1954	As a sequel to the Tariff (Second) Amendment Bill, 1954, Government relaxed import restrictions in respect of a number of items broadly providing for : (*a*) Increased facilities for imports from the hard currency areas for 13 items (certain hand tools, certain types of generators, leather belting, agricultural machinery etc.); (*b*) Increased import quotas for certain items (lead pencils, woollen fabrics, cycles, razor blades, etc.); (*c*) Removal of some of the restrictions on the use of import licences for some items (liquor, watches and parts etc.); (*d*) The extension of the system of liberal licensing to a number of items (fish, spices, cotton fabrics, etc.); (*e*) Expansion of the list in respect of which the basic period has been extended to include 1952-53 (drugs and medicines, chemicals miscellaneous hardware etc.)
Open General Licences XXXV to XXXVIII	September 23, 1954	O. G. L. Nos. XXXI, XXXII, XXXIII and XXXIV due to expire on September 30 replaced by O. G. L. Nos. XXXV, XXXVI, XXXVII and XXXVIII valid upto September 30, 1955. The bulk of the items appearing in the current O. G. L.'s have been repeated in the new ones ; however, certain items have been removed from general currency area licences (*viz.* roller bearings, antibiotics, slate pencils etc.). A few items have been added (scraps of brass, bronze and similar alloys, empty gelatine capsules etc.). Certain removals and additions of items to soft currency area licences have also been effected ; O. G. L. XXXVII and XXXVIII permit imports of certain commodities from Persian Gulf, Sheikhdoms and Pakistan. The items brought under the licensing system would, except in a few cases, be licensed on a quota basis ranging from 50 per cent to 120 per cent.
Raw Sugar	December 16, 1954	Government decided to permit import of raw sugar for refining.
January-June 1955	December 29, 1954	Import policy for the first half of 1955 announced. Import quotas for certain antibiotics, razor blades and textile manufactures raised and quotas for certain commodities like penicillin, streptomycin motor vehicle spare parts etc. were reduced as a sequel to the increase in indigenous output. Additional licences were also to be given for imports of shoddy woollen yarn for the woollen clothing industry.

STATE

INDIA'S EXPORTS* OF

Commodities	January-March 1954			April-June 1954			July-September 1954		
	Dollar Area	Others	**Total**	Dollar Area	Others	**Total**	Dollar Area	Others	**Total**
Class I									
Fruits and vegetables	1,55	90	**2,45**	2,21	56	**2,77**	2,86	72	**3,58**
Spices	2,33	3,88	**6,21**	1,47	1,57	**3,04**	1,68	1,04	**2,72**
Tea	3,51	17,70	**21,21**	1,95	11,49	**13,44**	3,91	33,68	**37,59**
Tobacco	—	1,94	**1,94**	—	3,56	**3,56**	—	3,37	**3,37**
Others	1	2,88	**2,89**	1	5,39	**5,40**	1	2,97	**2,98**
Total for the Group	**7,40**	**27,30**	**34,70**	**5,64**	**22,57**	**28,21**	**8,46**	**41,78**	**50,24**
Class II									
Other non-metallic mining and quarry products and the like ..	83	1,62	**2,45**	70	1,23	**1,93**	52	1,63	**2,15**
Gums, resins and lac	70	1,23	**1,93**	87	1,15	**2,02**	1,30	1,66	**2,96**
Hides and skins, raw	54	1,13	**1,67**	60	1,26	**1,86**	72	87	**1,59**
Metallic ores and scrap iron or steel for re-manufacture	2,71	4,37	**7,08**	1,73	2,87	**4,60**	1,84	2,50	**4,34**
Oils, vegetable, mineral and animal	10	75	**85**	38	1,01	**1,39**	1,06	1,78	**2,84**
Seeds	21	84	**1,05**	76	17	**93**	6	9	**15**
Cotton, raw and waste	48	5,12	**5,60**	26	2,90	**3,16**	24	3,13	**3,37**
Wool, raw and waste	30	1,00	**1,30**	1,25	1,71	**2,96**	89	71	**1,60**
Others	46	3,67	**4,13**	45	3,34	**3,79**	38	3,32	**3,70**
Total for the Group	**6,33**	**19,73**	**26,06**	**7,00**	**15,64**	**22,64**	**7,01**	**15,69**	**22,70**
Class III									
Hides and skins, tanned or dressed and leather	44	7,07	**7,51**	27	4,25	**4,52**	25	4,66	**4,91**
Cotton yarns and manufactures ..	24	20,67	**20,91**	21	15,37	**15,58**	22	15,73	**15,95**
Jute yarns and manufactures ..	10,75	16,47	**27,22**	9,05	19,62	**28,67**	10,21	23,62	**33,83**
Woollen yarns and manufactures ..	20	91	**1,11**	19	77	**96**	25	88	**1,13**
Others	56	8,74	**9,30**	73	7,44	**8,17**	1,30	7,67	**8,97**
Total for the Group	**12,19**	**53,86**	**66,05**	**10,45**	**47,45**	**57,90**	**12,23**	**52,56**	**64,79**
TOTAL FOR ALL GROUPS	**25,94**	**1,02,18**	**1,28,12**	**23,11**	**86,48**	**1,09,59**	**27,78**	**1,11,20**	**1,38,98**

Note :—Exports to Pakistan have been excluded. * Indian Merchandise.

Source : Director-General of Commercial Intelligence and Statistics.

MENT 70

PRINCIPAL COMMODITIES§

(Lakhs of Rupees)

October-December 1954			January-March 1955			January-December 1954			April 1954-March 1955		
Dollar Area	Others	**Total**	Dollar Area	Others	**Total**	Dollar Area	Others	**Total**	Dollar Area	Others	**Total**
2,59	1,48	**4,07**	1,73	84	**2,57**	9,21	3,66	**12,87**	9,39	3,60	**12,99**
77	1,59	**2,36**	1,46	1,54	**3,00**	6,25	8,08	**14,33**	5,38	5,74	**11,12**
6,67	51,91	**58,58**	5,27	31,59	**36,86**	16,04	1,14,78	**1,30,82**	17,80	1,28,67	**1,46,47**
—	2,92	**2,92**	—	97	**97**	—	11,79	**11,79**	—	10,82	**10,82**
3	3,74	**3,77**	2	4,49	**4,51**	6	14,98	**15,04**	7	16,59	**16,66**
10,06	**61,64**	**71,70**	**8,48**	**39,43**	**47,91**	**31,56**	**1,53,29**	**1,84,85**	**32,64**	**1,65,42**	**1,98,06**
56	1,42	**1,98**	1,45	1,53	**2,98**	2,61	5,90	**8,51**	3,23	5,81	**9,04**
1,09	2,09	**3,18**	90	2,50	**3,40**	3,96	6,13	**10,09**	4,16	7,40	**11,56**
61	99	**1,60**	63	1,45	**2,08**	2,47	4,25	**6,72**	2,56	4,57	**7,13**
1,50	3,20	**4,70**	2,91	2,50	**5,41**	7,78	12,94	**20,72**	7,98	11,07	**19,05**
63	5,13	**5,76**	1,43	9,66	**11,09**	2,17	8,67	**10,84**	3,50	17,58	**21,08**
5	38	**43**	1,28	1,23	**2,51**	1,08	1,48	**2,56**	2,15	1,87	**4,02**
71	5,58	**6,29**	76	6,56	**7,32**	1,69	16,73	**18,42**	1,97	18,17	**20,14**
54	1,77	**2,31**	83	91	**1,74**	2,98	5,19	**8,17**	3,51	5,10	**8,61**
44	4,16	**4,60**	52	4,35	**4,87**	1,73	14,49	**16,22**	1,79	15,17	**16,96**
6,13	**24,72**	**30,85**	**10,71**	**30,69**	**41,40**	**26,47**	**75,78**	**1,02,25**	**30,85**	**86,74**	**1,17,59**
20	5,17	**5,37**	16	4,06	**4,22**	1,16	21,15	**22,31**	88	18,14	**19,02**
24	16,88	**17,12**	41	14,99	**15,40**	91	68,65	**69,56**	1,08	62,97	**64,05**
12,26	19,28	**31,54**	11,03	18,83	**29,86**	42,27	78,99	**1,21,26**	42,55	81,35	**1,23,90**
18	99	**1,17**	17	94	**1,11**	82	3,55	**4,37**	79	3,58	**4,37**
1,09	8,15	**9,24**	80	8,66	**9,46**	3,68	32,00	**35,68**	3,92	31,92	**35,84**
13,97	**50,47**	**64,44**	**12,57**	**47,48**	**60,05**	**48,84**	**2,04,34**	**2,53,18**	**49,22**	**1,97,96**	**2,47,18**
30,20	**1,38,18**	**1,68,38**	**31,84**	**1,18,73**	**1,50,57**	**1,07,03**	**4,38,04**	**5,45,07**	**1,12,93**	**4,54,59**	**5,67,52**

§ Provisional.

STATEMENT 71

Exports of Gunny Cloth and Gunny Bags to Principal Countries

(Thousand Tons)
(Lakhs of Rupees)

Principal Countries	Jan.-Mar. 1954		April-June 1954		July-Sept. 1954		Oct.-Dec. 1954		Jan.-Mar. 1955		**Jan. Dec. 1954**		**April 1954-March 1955**	
	Q.	V.	Q.	V.	Q.	V.	Q.	V.	Q.	V.	**Q.**	**V.**	**Q.**	**V.**
GUNNY CLOTH														
Sterling Area Countries :														
U. K.	18·5	3,28	12·9	2,26	12·4	2,18	13·1	2,27	19·0	3,32	**56·9**	**9,99**	**57·4**	**10,02**
Australia	3·4	65	2·5	42	3·2	58	2·8	50	3·8	72	**11·9**	**2,15**	**12·3**	**2,22**
New Zealand	0·4	8	0·8	16	0·6	12	0·8	16	0·9	19	**2·6**	**52**	**3·2**	**61**
Other Soft Currency Countries :														
Egypt	0·5	5	0·9	11	1·6	23	1·4	18	1·5	19	**4·4**	**57**	**5·3**	**70**
Uruguay	0·9	15	4·3	74	2·8	50	0·3	4	1·0	18	**8·3**	**1,43**	**8·4**	**1,45**
Argentina	6·8	1,13	7·0	1,19	42·4	6,90	22·8	3,97	—	—	**79·0**	**13,20**	**72·2**	**12,05**
Dollar Countries														
U. S. A.	42·4	7,52	34·9	6,09	33·7	6,02	42·6	7,60	44·3	7,91	**153·6**	**27,23**	**155·6**	**27,60**
Canada	6·1	1,01	7·7	1,34	7·6	1,36	4·8	84	7·7	1,28	**26·2**	**4,55**	**27·9**	**4,81**
Philippines	0·5	12	0·3	6	—	—	0·4	7	0·1	1	**1·2**	**25**	**0·8**	**14**
Total (all countries excluding Pakistan)	**84·0**	**14,89**	**76·1**	**13,15**	**108·3**	**18,55**	**92·9**	**16,32**	**82·5**	**14,48**	**361·4**	**62,89**	**360·0**	**62,50**
GUNNY BAGS														
Sterling Area Countries :														
U. K.	5·8	77	6·7	1,03	4·6	68	4·8	67	5·1	75	**21·9**	**3,15**	**21·3**	**3,14**
Australia	14·9	1,64	32·9	3,92	22·2	2,59	14·3	1,71	23·1	2,82	**84·3**	**9,86**	**92·4**	**11,05**
Burma	5·5	67	16·0	1,98	4·4	53	—	—	3·8	41	**25·9**	**3,18**	**24·2**	**2,93**
Nigeria	2·1	24	4·5	52	7·6	89	5·6	69	3·4	45	**19·8**	**2,34**	**21·0**	**2,56**
Other Soft Currency Countries :														
Egypt	1·1	15	1·1	14	10·1	1,20	8·7	1,14	3·0	53	**21·0**	**2,63**	**22·7**	**3,01**
Peru	1·7	19	1·3	16	1·3	18	3·2	38	1·9	26	**7·5**	**91**	**7·6**	**97**
Thailand	8·0	95	0·4	4	1·9	22	1·3	16	6·8	96	**11·6**	**1,37**	**10·3**	**1,38**
Dollar Countries :														
U. S. A.	0·2	4	0·3	6	0·2	1	—	1	0·1	2	**0·7**	**12**	**0·6**	**10**
Cuba	1·4	19	0·5	8	16·3	1,96	17·9	2,17	2·5	35	**36·0**	**4,38**	**37·2**	**4,56**
Total (all countries excluding Pakistan)	**92·7**	**11,03**	**113·9**	**14,14**	**117·3**	**14,32**	**114·5**	**14,47**	**106·0**	**14,08**	**438·4**	**53,96**	**451·8**	**57,00**

Q=Quantity. V=Value.

Source : Accounts relating to the Foreign (Sea, Air and Land) Trade and Navigation of India.

STATEMENT 72

Exports of Cotton Piecegoods* to Principal Countries

(Millions of Yards)
(Lakhs of Rupees)

Principal Countries	Jan.-Mar. 1954		April-June 1954		July-Sept. 1954		Oct.-Dec. 1954		Jan.-Mar. 1955		**Jan.-Dec. 1954**		**April 1954-March 1955**	
	Q.	V.	Q.	V.	Q.	V.	Q.	V.	Q.	V.	**Q.**	**V.**	**Q.**	**V.**
Sterling Area Countries :														
U. K.	26·4	1,82	27·9	2,10	25·6	1,80	31·7	2,31	29·6	2,15	**111·6**	**8,02**	**114·9**	**8,35**
Malaya (including Singapore)	11·3	90	9·9	80	10·2	84	9·6	75	11·4	80	**41·0**	**3,29**	**41·2**	**3,19**
Aden and dependencies ..	26·5	1,65	9·9	66	16·5	1,02	11·4	69	13·2	83	**64·3**	**4,02**	**51·2**	**3,20**
Ceylon ..	6·5	50	7·0	57	5·5	50	6·0	49	4·2	37	**25·0**	**2,06**	**22·7**	**1,92**
Nigeria ..	14·2	97	12·5	87	13·8	93	11·1	75	10·0	66	**51·6**	**3,52**	**47·5**	**3,21**
Tanganiyka Territory	7·3	56	8·2	60	9·3	74	8·3	64	3·7	26	**33·1**	**2,54**	**29·5**	**2,24**
Kenya Colony and Zanzibar and Pemba ..	8·1	60	5·6	42	11·2	82	13·4	99	6·4	46	**38·3**	**2,83**	**36·6**	**2,69**
Australia ..	15·7	1,53	6·1	60	10·4	1,05	12·4	1,24	10·5	1,02	**44·6**	**4,42**	**39·4**	**3,91**
Burma ..	12·6	99	16·1	1,14	5·2	41	4·3	31	6·6	43	**38·2**	**2,85**	**32·2**	**2,29**
Other Soft Currency Countries :														
A. E. Sudan ..	17·8	98	29·5	1,47	13·9	69	20·9	1,09	18·2	89	**82·1**	**4,23**	**82·5**	**4,14**
Afghanistan ..	4·8	40	5·9	45	7·2	53	5·0	39	5·5	38	**22·9**	**1,77**	**23·6**	**1,75**
Total (all countries excluding Pakistan)	**221·2**	**15,88**	**187·3**	**13,30**	**176·9**	**12,82**	**193·9**	**13,95**	**179·3**	**12,66**	**779·3**	**55,95**	**737·5**	**52,73**

* Mill-made cotton piecegoods.
Source : Accounts relating to the Foreign (Sea, Air and Land) Trade and Navigation of India.
Q = Quantity V = Value.

STATEMENT 73

Exports of Tea to Principal Countries

(Millions of Lbs.)
(Lakhs of Rupees)

Principal Countries	Jan.-Mar. 1954		April-June 1954		July-Sept. 1954		Oct-Dec. 1954		Jan.-Mar. 1955		**Jan.-Dec. 1954**		**April 1954-March 1955**	
	Q.	V.	Q.	V.	Q.	V.	Q.	V.	Q.	V.	**Q.**	**V.**	**Q.**	**V.**
Sterling Area Countries :														
U. K. ..	59·6	13,73	34·9	9,34	99·6	27,03	132·3	42,98	63·9	22,87	**326·4**	**93,08**	**330·6**	**102,22**
Irish Republic	3·4	87	1·3	33	8·5	2,56	9·0	2,82	4·4	1,63	**22·2**	**6,58**	**23·1**	**7,34**
Australia ..	0·8	19	0·2	6	1·0	23	4·1	1,52	2·6	96	**6·1**	**2,00**	**7·9**	**2,77**
Kuwait ..	0·7	16	0·3	10	0·6	17	0·3	14	1·3	56	**1·9**	**57**	**2·5**	**97**
Other Soft Currency Countries :														
Netherlands ..	1·3	32	0·5	14	0·4	16	2·1	72	0·7	36	**4·3**	**1,34**	**3·7**	**1,38**
A. E. Sudan ..	1·7	35	1·8	42	2·2	60	0·5	16	0·3	11	**6·2**	**1,53**	**4·8**	**1,29**
Chile ..	0·1	2	—	—	—	—	—	—	1·2	52	**0·1**	**2**	**1·2**	**52**
Egypt	1·7	33	0·4	10	2·5	66	2·7	1,09	3·9	1,66	**7·3**	**2,20**	**9·5**	**3,51**
Dollar Countries :														
U.S.A. ..	9·6	2,49	3·8	1,09	6·5	2,02	12·5	4,18	7·6	3,12	**32·4**	**9,78**	**30·4**	**10,41**
Canada ..	3·9	1,02	2·9	86	5·8	1,89	6·5	2,49	5·0	2,15	**19·1**	**6,26**	**20·3**	**7,39**
Total (all countries excluding Pakistan)	**88·4**	**21,22**	**49·1**	**13,43**	**133·3**	**37,60**	**176·2**	**58,58**	**96·8**	**36,88**	**447·0**	**130,83**	**455·4**	**146,49**

Source : Accounts relating to the Foreign (Sea, Air and Land) Trade and Navigation of India.
Q = Quantity V = Value.

STATEMENT 74

CHANGES IN EXPORT DUTIES, 1954-55

Item	Unit	From	To	Effective from
Tea	lb.	4 annas	7 annas	October 2, 1954
		7 annas	10 annas	January 7, 1955
		10 annas	Slab system introduced.*	March 1, 1955
Cotton Textiles	—	10 per cent *ad valorem* on coarse cloth.	Nil on cloth the average count of which is 17s or finer, and 6¼% *ad valorem* on cloth the average count of which is less than 17s.	March 1, 1955
Manganese Ore		15 per cent *ad valorem*	Nil	August 18, 1954
Oils and Oilseeds :				
Groundnut Oil	Ton	Nil	Rs. 350/-	July 29, 1954
	,,	Rs. 350/-	Rs. 225/-	September 2, 1954
	,,	Rs. 225/-	Rs. 100/-	November 5, 1954
Castor Oil	,,	Rs. 300/-	Rs. 200/-	May 12, 1954
	,,	Rs. 200/-	Rs. 125/-	January 8, 1955
Linseed Oil	,,	Rs. 50/-	Nil	May 12, 1954
Mustard Oil	lb.	3 annas	,,	,,
Kardi-seed Oil	Ton	Rs. 300/-	,,	,,
Cotton seed Oil	,,	Rs. 300/-	,,	,,
Rape-seed Oil	,,	Rs. 300/-	,,	,,
Cotton seed Oil	,,	Nil	Rs. 60/-	February 24, 1955
Groundnut H. P. S.	,,	Rs. 150/-	Rs. 300/-	January 8, 1955
Groundnut cake	,,	Nil	Rs. 230/-	February 4, 1955
De-oiled groundnut meal	,,	Nil	Rs. 175/-	,,
Cotton Seed Oil cake (Decorticated)	,,	Nil	Rs. 100/-	February 14, 1955
Oil cakes (others with certain exceptions)	,,	Nil	Rs. 50/-	,,
Husked Rice	Md.	Re. 0-2-3	20 per cent *ad valorem*	July 24, 1954
		20 per cent *ad valorem*	Re. 0-2-3	February 4, 1955
Coffee	Cwt.	Rs. 62-8-0	Rs. 21/-	February 18, 1955
Black Pepper	,,	Rs. 150/-	Rs. 65 or 30 per cent *ad valorem* whichever is lower	May 12, 1954
		Rs. 65/- or 30 per cent *ad valorem* whichever is lower.	15 per cent *ad valorem*	January 8, 1955
Raw Cotton :				
Bengal Deshi	Ton	Rs. 125/-	Rs. 150/-	November 12, 1954
Others	,,	Rs. 200/-	Rs. 150/-	,,
Cigars and Cheroots		15 per cent *ad valorem.*	Nil	May 12, 1954.

* The slab rates now fixed vary with the value, ranging from a low of 4 annas per lb. when the price of tea does not exceed Rs. 2-8-0 per lb. to a high of 12 annas when the value exceeds Rs. 4-12-0. The price shall be fixed by Government by notification from time to time. Government fixed on March 1, 1955 the price for purpose of determining the export duty at Rs. 4-3-0 per lb. but lowered it to Rs. 3-8-9 per lb. on March 31, 1955. At this price, the duty works out to 8 annas per lb.

STATEMENT 75

Major Export Liberalisation Measures, 1954-55

Item	Date of Announcement	Details
Raw Cotton	July 27, 1954	Extension of the validity period of licences granted during the season for export of Mathias, Kalagins, Dholleras, CP-I and CP-II, Central India Deshi & Oomra Deshi for shipment upto the end of December 1954. Later (on December 8 1954), the validity period was further extended upto the end of March 1955.
	September 6, 1954	Decision to license freely exports of Assams and Comillas, Zoda cotton, cotton pickings and sweepings, yellow pickings and cotton linters during the 1954-55 season to all permissible destinations.
	October 16, 1954	Quota of 1 lakh bales released for export from 1954-55 crop, comprising 0·5 lakh bales Bengal Deshi, 0·25 lakh bales Mathias, Kalagins and Dholleras, and 0·25 lakh bales CPI, CPII, Central India Deshi and Oomra Deshi of $\frac{11}{16}$" staple and below.
	November 30, 1954	Decision to release a further quota of 0·25 lakh bales of Bengal Deshi from 1954-55 crop.
	February 25, 1955	Further quotas of 0·25 lakh bales of Bengal Deshi, 0·25 lakh bales of Mathias, Kalagins, Dholleras, CPI, and CPII Central India Deshi and Oomras released for export.
Cotton Waste	June 25, 1954	Decision to continue free licensing of exports of hard cotton waste within an overall ceiling upto December 31, 1954. Exports of soft cotton waste other than sliver waste, roving ends and bondas to be freely licensed for export within a ceiling upto December 31, 1954. Quota of 10,000 bales fixed for export of soft cotton waste of restricted varieties *viz.*, sliver waste, roving ends and bondas during July-December 1954.
	December 22, 1954	Free licensing of soft cotton waste other than slivers, roving ends and bondas to continue till the end of June 1955. Further quota of 10,000 bales fixed for export of slivers, roving ends and bondas during the period January-June 1955 and the validity of licences that expired on December 31, 1954 extended upto March 31, 1955.
	December 31, 1954	Decision to continue for January-June 1955 period the samef licensing procedure as that of July-December 1954 for exports o, hard cotton waste.
Cotton Piecegoods	July 15, 1954	Free licensing of all permissible varieties of cotton piecegoods and cotton manufactures upto December 31, 1954.
	November 4, 1954	Extension of free licensing of all permissible varieties of cotton piecegoods for shipment upto June 30, 1955.
Raw Wool	September 30, 1954	Decision to release a further quantity for the period October 1 1954 to March 31, 1955. A quota of 40 per cent of the best half year's export (during the calendar years 1951-53) to established shippers.
	January 17, 1955	Decision to allow supplementary quotas to those who had completed shipment of 80 per cent of their previous allotment.
Oils and Oilseeds : Groundnut oil and Groundnuts	August 4, 1954	Quota of 15 per cent of the basic year's exports to be allowed to established shippers for the period ending October 1954.
	October 14, 1954	Additional quota of 15 per cent of the best year's exports, subject to a maximum of 400 tons per shipper, to be granted to established shippers for exports of groundnut oil, valid for shipment upto the end of December 1954.
	November 28, 1954	Further quota of 30% of shipments effected during any one of the four financial years 1948-49 to 1951-52, subject to a maximum of 600 tons per shipper announced for exports of groundnut oil by established shippers during the period ending March 1955. Decision to allow export of a small quantity of H.P.S. groundnut kernels to all permissible destinations by established shippers for the period ending March 1955.
	December 28, 1954	Extension of validity period of the unutilised balance of groundnut oil quotas from the end of December 1954 to the end of March 1955.
	January 11, 1955	Supplementary bonus quotas issued to established shippers for exports of groundnut oil. Further quotas for exports of H.P.S. groundnuts granted to established shippers.

STATEMENT 75—(*Contd.*)

Item	Date of Announcement	Details
	February 8, 1955	Decision to release an additional quota of 10 per cent of basic year exports for groundnut oil by established shippers upto March 31, 1955
	March 23, 1955	Extension of validity period of unutilised quotas of groundnut oil and H.P.S. groundnuts from March 31, 1955 to June 30, 1955. Further quota of 10 per cent of basic year's exports released for exports of groundnut oil.
Linseed Oil	June 25, 1954	Decision to continue free licensing of linseed oil to all permissible destinations upto the end of December 1954.
	January 4, 1955	Decision to continue free licensing upto the end of June 1955.
Castor Oil	May 18, 1954 ..	Export allotments valid upto July 31, 1954, to be made to established shippers for quantities equal to 25 per cent of the shipments effected by them during 1953. Validity period of unutilised quotas subsequently extended on September 3, upto the end of October.
	June 25, 1954 ..	Decision to release an additional quota equal to 50 per cent of the actual shipments effected during 1953, subject to a maximum of 400 tons per shipper valid for shipment upto the end of October 1954.
	November 3, 1954 ..	Extension of validity period of unutilised balances of quotas allotted for the periods May/July and July/October extended till the end of November and subsequently on December 4, 1954, upto the end of January 1955.
	November 16, 1954 ..	Decision to release a further quantity equal to 50 per cent of the allotments made to established shippers for the period July/October, valid for shipment upto the end of January 1955.
	December 17, 1954 ..	Decision to release a further quantity of 15,000 tons of castor oil for shipment upto the end of March 1955 to all permissible destinations. Licences to be issued freely to established shippers who have exported during 1951, 1952 or 1953 subject to a maximum of 600 tons per shipper. Permission granted to non-established shippers also to participate in the export trade subject to a maximum of 50 tons.
	January 8, 1955 ..	The rule fixing the maximum limit on exports by established shippers at 600 tons held in abeyance till March 31, 1955 and the maximum limit for non-established shippers raised to 200 tons.
	March 15, 1955 ..	Decision to continue free licensing of exports of castor oil upto the end of June 1955 without any quantitative restriction.
Mustard Oil and Rape Seed oil	June 22, 1954	Decision to continue free licensing of these oils to all permissible destinations upto the end of September 1954.
	October 16, 1954 ..	Free licensing to continue till the end of March 1955.
Kardi seed and Niger Seed oils and their seeds	June 25, 1954	Free licensing to continue till the end of December 1954. Free licensing to continue till the end of June 1955.
	January 24, 1955 ..	Decision to release a limited quantity of niger and kardi seeds for export upto the end of June 1955 to all permissible destinations.
Rice (Husked) ..	July 28, 1954 ..	Decision to allow a small quantity of husked rice for export from Bombay and Calcutta to all permissible destinations upto December 31, 1954.
	February 8, 1955 ..	Decision to permit exports from all ports in the same manner as from Bombay and Calcutta.
	March 29, 1955	Decision to continue licensing as hitherto against advance registration of sales upto the end of June 1955.
Tea ..	April 1954 ..	Quota of 365·6 million lbs. fixed for exports.
	August 1954 ..	Quota increased to 417·9 million lbs.
	October 1954	Total quantity to be released for exports raised to 449·2 million lbs.
	December 1954 ..	Quota raised again to 457·9 million lbs.
	January 1955 ..	Quota raised to 465 million lbs.

STATEMENT 76

INDIA'S BALANCE OF TRADE IN MERCHANDISE‡

(Sea, Air and Land)

(PRIVATE AND GOVERNMENT)

(Lakhs of Rupees)

IMPORTS†				Year and Month	EXPORTS*				Balance of trade
Sea and Air	Land	Trade in transit**	Total (1+2−3)		Sea and Air	Land	Trade in transit**	Total (5+6−7)	
1	2	3	4		5	6	7	8	9
549,12	22,93	12	571,93	1953-54	523,20	7,46	4	530,62	−41,31
609,60	23,39	18	632,81	1954-55	577,76	5,73	43	583,06	−49,75
56,04	71	2	56,73	April 1953	38,51	37	2	38,86	−17,87
56,03	66	1	56,68	May ,, ...	40,41	41	1	40,81	−15,87
50,01	1,70	1	51,70	June ,, ...	39,57	38	1	39,94	−11,76
49,41	2,81	3	52,19	July ,, ...	40,58	41	—	40,99	−11,20
48,00	2,70	—	50,70	August ,, ...	39,17	91	—	40,08	−10,62
43,62	3,20	1	46,81	September ,, ...	48,59	73	—	49,32	+ 2,51
43,88	2,04	2	45,90	October ,, ...	47,22	68	—	47,90	+ 2,00
37,53	1,72	1	39,24	November ,, ...	47,96	74	—	48,70	+ 9,46
38,10	1,76	1	39,85	December ,, ...	51,14	94	—	52,08	+12,23
38,40	2,30	—	40,70	January 1954.. ..	44,06	56	—	44,62	+ 3,92
39,00	1,82	—	40,82	February ,, ...	40,18	56	—	40,74	— 8
49,10	1,51	1	50,60	March ,, ...	45,79	78	—	46,57	— 4,03
46,59	1,22	2	47,79	April ,, ...	30,97	60	2	31,55	−16,24
50,20	1,60	6	51,74	May ,, ...	38,27	41	3	38,65	−13,09
45,97	1,57	—	47,54	June ,, ...	42,72	55	5	43,22	— 4,32
52,88	1,51	—	54,39	July ,, ...	46,90	46	3	47,33	— 7,06
44,27	1,22	—	45,49	August ,, ...	45,31	28	5	45,54	+ 5
48,78	1,79	—	50,57	September ,, ...	50,13	37	4	50,46	— 11
53,60	2,31	—	55,91	October ,, ...	47,08	49	4	47,53	— 8,38
59,87	2,49	—	62,36	November ,, ...	64,96	51	3	65,44	+ 3,08
47,55	2,31	1	49,85	December ,, ...	60,45	65	5	61,05	+11,20
50,56	2,17	—	52,73	January 1955.. ..	54,35	37	2	54,70	+ 1,97
56,46	2,70	2	59,14	February ,, ...	49,91	48	3	50,36	— 8,78
52,86	2,51	7	55,30	March ,, ...	46,71	56	3	47,24	— 8,06

Note.— (1) Land frontier trade relates to Pakistan, Afghanistan, Iran and Burma.
(2) Exports are on *f.o.b.* basis.

‡ Provisional.
† Excludes the value of certain special imports of foodgrains and stores for which full particulars are not available.
* Including re-exports.
** Relates only to figures included in the general import and re-export figures.

Source : Accounts relating to Foreign (Sea, Air and Land) Trade and Navigation of India.

STATEMENT 77

India's Balance of Payments

CURRENT ACCOUNT : REGION-WISE SUMMARY

(Crores of Rupees)

	1951	1952	1953	1954 (Preliminary)
All Areas				
Imports c.i.f.	862·4	742·6	575·1	624·5
Exports f.o.b.	749·5	649·1	536·0	548·8
Trade Balance	−112·9	− 93·5	− 39·1	− 75·7
Official Donations (Net)	+ 1·4	+ 11·9	+ 18·4	+ 5·0
Other Invisibles (Net)	+ 54·1	+ 83·3	+ 79·4	+ 74·4
Current Account (Net)	− 57·4	+ 1·7	+ 58·7	+ 3·7
Sterling Area (Excluding Pakistan)				
Imports c.i.f.	301·2	270·2	286·5	319·4
Exports f.o.b.	368·3	285·9	273·6	295·1
Trade Balance	+ 67·1	+ 15·7	− 12·9	− 24·3
Official Donations (Net)	+ 1·4	+ 2·8	+ 1·6	+ 0·5
Other Invisibles (Net)	+ 60·2	+ 66·0	+ 69·3	+ 59·7
Current Account (Net)	+128·7	+ 84·5	+ 58·0	+ 35·9
Pakistan				
Imports c.i.f.	79·3	27·3	14·1	12·7
Exports f.o.b.	26·2	57·5	7·4	11·0
Trade Balance	− 53·1	+ 30·2	− 6·7	− 1·7
Official Donations (Net)	—	—	—	—
Other Invisibles (Net)	+ 6·5	+ 9·1	+ 4·5	+ 6·4
Current Account (Net)	− 46·6	+ 39·3	− 2·2	+ 4·7
Dollar Area				
Imports c.i.f.	247·5	279·6	118·6	97·5
Exports f.o.b.	183·2	154·7	120·1	108·5
Trade Balance	− 64·3	−124·9	+ 1·5	+ 11·0
Official Donations (Net)	—	+ 7·6	+ 16·0	+ 4·6
Other Invisibles (Net)	+ 2·5	+ 6·1*	+ 2·1	+ 2·4
Current Account (Net)	− 61·8	−111·2	+ 19·6	+ 18·0
OEEC Countries				
Imports c.i.f.	108·9	86·7	97·2	126·1
Exports f.o.b.	85·0	65·6	44·7	54·0
Trade Balance	− 23·9	− 21·1	− 52·5	− 72·1
Official Donations (Net)	—	+ 1·1	+ 0·1	—
Other Invisibles (Net)	− 1·9	− 1·0	− 1·8	− 1·7
Current Account ((Net)	− 25·8	− 21·0	− 54·2	− 73·8
Rest of Non-Sterling Area				
Imports c.i.f.	125·3	78·8	58·8	68·8
Exports f.o.b.	86·8	85·4	90·1	80·3
Trade Balance	− 38·5	+ 6·6	+ 31·3	+ 11·5
Official Donations (Net)	—	+ 0·4	+ 0·7	—
Other Invisibles (Net)	− 13·3	+ 3·0	+ 5·6	+ 7·4
Current Account (Net)	− 51·8	+ 10·0	+ 37·6	+ 18·9

* Includes Non-Monetary Gold Movement (Net)—Rs. 1·0 crore.

STATEMENT 78

India's Balance of Payments—1954

CURRENT ACCOUNT—REGIONWISE

STERLING AREA (Excluding Pakistan)

(Crores of Rupees)

Item	January-March 1954			April-June 1954			July-September 1954			October-December 1954			Year : 1954 (Preliminary)		
	Receipts	Payments	Net	Receipts	Payments	Net	Receipts	Payments	Net	Receipts	Payments	Net	Receipts	Payments	Net
1. Merchandise															
(a) Private	71·6	58·3	+*13·3*	66·7	69·8	− *3·1*	71·7	65·5	+ *6·2*	84·8	62·4	+*22·4*	294·8	255·9	+*38·9*
(b) Government ..	0·1	9·6	− *9·5*	0·1	13·7	−*13·6*	0·1	21·5	−*21·4*	0·1	18·6	−*18·5*	0·3	63·4	−*63·1*
2. Non-monetary gold movement ..	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
3. Foreign travel ..	..	1·0	− *1·0*	..	1·4	− *1·4*	..	1·4	− *1·4*	..	1·2	− *1·2*	..	5·0	− *5·0*
4. Transportation ..	5·1	1·2	+ *3·9*	4·4	1·4	+ *3·0*	4·8	1·3	+ *3·5*	5·7	1·6	+ *4·1*	20·1	5·6	+*14·5*
5. Insurance	0·8	0·8	—	0·9	0·8	+ *0·1*	0·9	0·6	+ *0·3*	0·9	0·9	—	3·5	3·0	+ *0·5*
6. Investment income ..	5·4	4·5	+ *0·9*	4·5	3·8	+ *0·7*	5·8	5·2	+ *0·6*	3·9	3·7	+ *0·2*	19·6	17·2	+ *2·4*
7. Government, not included elsewhere ..	4·7	3·2	+ *1·5*	4·9	1·1	+ *3·8*	3·7	1·6	+ *2·1*	4·2	3·1	+ *1·1*	17·5	9·1	+ *8·4*
8. Miscellaneous	5·7	1·4	+ *4·3*	5·6	1·3	+ *4·3*	5·3	2·4	+ *2·9*	5·5	2·0	+ *3·5*	22·1	7·1	+*15·0*
9. Donations															
(i) Official	0·3	—	+ *0·3*	0·2	—	+ *0·2*	—	—	—	—	—	—	0·5	—	+ *0·5*
(ii) Private	3·5	3·2	+ *0·3*	3·4	4·5	− *1·1*	3·8	3·3	+ *0·5*	3·7	3·3	+ *0·4*	14·3	14·4	− *0·1*
9a. Unclassified	7·5	0·5	+ *7·0*	6·6	0·5	+ *6·1*	5·5	0·4	+ *5·1*	6·3	0·5	+ *5·8*	25·9	1·9	+*24·0*
Total	**104·6**	**83·7**	+*20·9*	**97·2**	**98·4**	− *1·2*	**101·6**	**103·3**	− *1·7*	**115·1**	**97·2**	+*17·9*	**418·5**	**382·6**	+*35·9*

STATEMENT 78—(*Contd.*)

PAKISTAN

(Crores of Rupees)

Item	January-March 1954			April-June 1954			July-September 1954			October-December 1954			Year 1954 (Preliminary)		
	Re-ceipts	Pay-ments	*Net*	Re-ceipts	Pay-ments	*Net*	Re-ceipts	Pay-ments	*Net*	Re-ceipts	Pay-ments	*Net*	Re-ceipts	Pay-ments	*Net*
1. Merchandise															
(*a*) Private	1·8	3·5	*−1·7*	1·8	3·0	*−1·2*	2·2	2·5	*−0·3*	4·4	3·7	*+0·7*	10·2	12·7	*−2·5*
(*b*) Government	0·5	—	*+0·5*	0·3	—	*+0·3*	—	—	—	—	—	—	0·9	—	*+0·9*
2. Non-monetary Gold movement	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
3. Foreign travel	..	—	—	..	—	—	..	—	—	..	—	—	..	—	—
4. Transportation	0·3	—	*+0·3*	0·2	—	*+0·2*	0·7	—	*+0·7*	0·2	—	*+0·2*	1·4	—	*+1·4*
5. Insurance	—	0·1	*−0·1*	—	—	—	—	—	—	—	—	—	—	0·1	*−0·1*
6. Investment income ..	0·2	—	*+ 0·2*	1·3	0·1	*+1·2*	0·1	0·1	—	—	0·1	*−0·1*	1·6	0·4	*+1·2*
7. Government, not included elsewhere	0·2	—	*+0·2*	0·2	—	*+0·2*	0·2	—	*+0·2*	0·1	—	*+0·1*	0·8	—	*+ 0·8*
8. Miscellaneous	—	—	—	—	—	—	—	—	—	0·1	—	—	0·1	0·1	—
9. Donations															
(*i*) Official	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
(*ii*) Private	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
9a Unclassified	0·7	0·3	*+0·4*	1·0	0·1	*+ 0·9*	0·9	—	*+0·9*	0·8	—	*+0·8*	3·4	0·4	*+3·0*
Total ..	**3·7**	**3·9**	*−0·2*	**4·7**	**3·2**	*+1·5*	**4·2**	**2·7**	*+1·5*	**5·7**	**3·9**	*+1·8*	**18·4**	**13·7**	*+4·7*

DOLLAR AREA*

(Crores of Rupees)

Item	January-March 1954 Receipts	January-March 1954 Payments	January-March 1954 Net	April-June 1954 Receipts	April-June 1954 Payments	April-June 1954 Net	July-September 1954 Receipts	July-September 1954 Payments	July-September 1954 Net	October-December 1954 Receipts	October-December 1954 Payments	October-December 1954 Net	Year: 1954 (Preliminary) Receipts	Year: 1954 (Preliminary) Payments	Year: 1954 (Preliminary) Net
1. Merchandise															
(a) Private	28·0	17·2	*+10·8*	25·2	21·9	*+ 3·3*	23·7	17·7	*+ 6·0*	31·6	20·6	*+11·0*	108·5	77·3	*+31·2*
(b) Government ..	—	5·3	*− 5·3*	—	3·0	*− 3·0*	—	9·2	*− 9·2*	—	2·8	*− 2·8*	—	20·2	*−20·2*
2. Non-monetary gold movement	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
3. Foreign travel	0·3	0·3	—	0·3	0·4	*− 0·1*	0·2	0·4	*− 0·2*	0·3	0·3	—	1·1	1·3	*− 0·2*
4. Transportation ..	0·9	0·3	*+ 0·6*	0·8	0·5	*+ 0·3*	0·8	0·4	*+ 0·4*	1·1	0·4	*+ 0·7*	3·5	1·6	*+ 1·9*
5. Insurance	0·1	—	*+ 0·1*	0·1	—	*+ 0·1*	0·1	—	*+ 0·1*	0·1	—	*+ 0·1*	0·4	—	*+ 0·4*
6. Investment income ..	0·3	1·4	*− 1·1*	0·1	2·7	*− 2·6*	0·3	1·3	*− 1·0*	0·1	3·2	*− 3·1*	0·7	8·5	*− 7·8*
7. Government, not included elsewhere ..	0·6	1·1	*− 0·5*	0·7	1·0	*− 0·3*	0·3	0·5	*− 0·2*	0·6	0·6	—	2·2	3·2	*− 1·0*
8. Miscellaneous	0·3	0·8	*− 0·5*	0·5	0·7	*− 0·2*	0·3	0·7	*− 0·4*	0·4	0·7	*− 0·3*	1·4	3·0	*− 1·6*
9. Donations															
(i) Official	2·9	—	*+ 2·9*	1·2	—	*+ 1·2*	0·4	—	*+ 0·4*	—	—	—	4·6	—	*+ 4·6*
(ii) Private	1·4	0·1	*+ 1·3*	1·4	0·3	*+ 1·1*	2·0	0·1	*+ 1·9*	1·7	0·1	*+ 1·6*	6·5	0·6	*+ 5·9*
9a. Unclassified	0·9	—	*+ 0·9*	1·6	—	*+ 1·6*	1·4	—	*+ 1·4*	1·2	—	*+ 1·2*	5·0	0·1	*+ 4·9*
Total	**35·6**	**26·5**	*+ 9·1*	**31·9**	**30·4**	*+ 1·5*	**29·3**	**30·2**	*− 0·9*	**37·1**	**28·7**	*+ 8·4*	**133·8**	**115·8**	*+18·0*

* Comprises the United States, other American Account Countries and Canada.

STATEMENT 78—(*Contd.*)

OEEC COUNTRIES†

(Crores of Rupees)

Item	January-March 1954			April-June 1954			July-September 1954			October-December 1954			Year : 1954 (Preliminary)		
	Receipts	Payments	*Net*	Receipts	Payments	*Net*	Receipts	Payments	*Net*	Receipts	Payments	*Net*	Receipts	Payments	*Net*
1. Merchandise															
(*a*) Private	13·5	21·0	*−7·5*	13·5	24·9	*−11·4*	10·8	25·5	*−14·7*	16·1	26·4	*−10·3*	53·8	97·7	*−43·9*
(*b*) Government	—	5·4	*− 5·4*	—	4·2	*− 4·2*	0·1	7·5	*− 7·4*	—	11·3	*−11·3*	0·1	28·4	*−28·3*
2. Non-monetary gold movement	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
3. Foreign travel	0·1	0·6	*− 0·5*	0·1	1·2	*− 1·1*	—	0·9	*− 0·9*	—	0·6	*− 0·6*	0·2	3·3	*− 3·1*
4. Transportation	0·7	0·3	*+ 0·4*	0·7	0·7	—	0·7	0·6	*+ 0·1*	0·9	0·4	*+ 0·5*	2·9	2·0	*+ 0·9*
5. Insurance	0·1	0·1	—	0·1	0·1	—	0·1	0·1	—	0·1	0·2	*− 0·1*	0·4	0·6	*− 0·2*
6. Investment income ..	—	0·2	*− 0·2*	—	0·2	*− 0·2*	—	—	—	—	0·2	*− 0·2*	—	0·6	*− 0·6*
7. Government, not included elsewhere	0·1	0·6	*− 0·5*	0·2	0·5	*− 0·3*	0·3	0·6	*− 0·4*	0·3	0·7	*− 0·4*	0·9	2·4	*− 1·5*
8. Miscellaneous	0·5	0·4	*+ 0·1*	0·5	0·3	*+ 0·2*	0·6	0·3	*+ 0·3*	0·5	0·5	—	2·1	1·5	*+ 0·6*
9. Donations															
(*i*) Official	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
(*ii*) Private	0·2	0·1	*+ 0·1*	0·1	0·2	*− 0·1*	0·2	0·1	*+ 0·1*	0·3	0·2	*+ 0·1*	0·8	0·6	*+ 0·2*
9a. Unclassified	0·5	0·1	*+ 0·4*	0·4	0·1	*+ 0·3*	0·4	—	*+ 0·4*	0·8	0·1	*+ 0·7*	2·2	0·3	*+ 1·9*
Total	**15·6**	**28·7**	*−13·1*	**15·6**	**32·2**	*−16·6*	**13·2**	**35·8**	*−22·6*	**19·0**	**40·5**	*−21·5*	**63·4**	**137·2**	*−73·8*

† Including their associated territories.

REST OF NON-STERLING AREA

(Crores of Rupees)

Item	January-March 1954			April-June 1954			July-September 1954			October-December 1954			Year : 1954 (Preliminary)		
	Re-ceipts	Pay-ments	*Net*	Re-ceipts	Pay-ments	*Net*	Re-ceipts	Pay-ments	*Net*	Re-ceipts	Pay-ments	*Net*	Re-ceipts	Pay-ments	*Net*
1. Merchandise															
(a) Private	20·1	19·7	*+0·4*	16·8	14·4	*+2·4*	20·0	11·7	*+8·3*	23·3	17·9	*+5·4*	80·2	63·7	*+16·5*
(b) Government	—	—	—	—	2·3	*−2·3*	—	0·4	*−0·4*	—	2·4	*−2·4*	0·1	5·1	*−5·0*
2. Non-monetary gold movement	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
3. Foreign travel	0·1	0·1	—	0·1	0·2	*−0·1*	0·1	0·2	*−0·1*	0·1	0·1	—	0·3	0·6	*− 0·3*
4. Transportation	1·2	0·2	*+1·0*	1·0	0·2	*+0·8*	1·3	0·4	*+0·9*	1·4	0·4	*+1·0*	4·8	1·2	*+3·6*
5. Insurance	0·2	—	*+0·2*	0·2	0·1	*+0·1*	0·2	0·1	*+0·1*	0·2	—	*+0·2*	0·8	0·2	*+ 0·6*
6. Investment income ..	—	—	—	—	—	—	—	—	—	—	0·1	*−0·1*	—	0·1	*− 0·1*
7. Government, not included elsewhere	0·3	0·2	*+0·1*	0·4	0·1	*+0·3*	0·3	0·2	*+0·1*	0·8	0·2	*+0·6*	1·7	0·7	*+ 1·0*
8. Miscellaneous	0·1	0·3	*−0·2*	0·2	0·2	—	0·3	0·2	*+0·1*	0·3	0·2	*+0·1*	0·8	0·8	—
9. Donations ..															
(i) Official	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
(ii) Private	—	0·1	*+0·1*	—	—	—	—	—	—	—	0·1	*−0·1*	0·1	0·2	*− 0·1*
9a. Unclassified	0·9	—	*+0·9*	0·8	—	*+0·8*	0·6	—	*+0·6*	0·5	—	*+0·5*	2·7	0·1	*+ 2·6*
Total	**22·9**	**20·6**	*+ 2·3*	**19·3**	**17·6**	*+1·7*	**22·8**	**13·1**	*+9·6*	**26·6**	**21·3**	*+5·3*	**91·5**	**72·6**	*+18·9*

STATEMENT 79

Indo-Pakistan Trade*

(Sea, Air and Land)

(Thousands of Rupees)

Item	Unit	January-March 1954		April-June 1954		July-September 1954		October-December 1954		January-March 1955		January-December 1954		April 1954-March 1955	
		Quantity	Value	Quantity	Value	Quantity	Value	Quantity	Value	Quantity	Value	Quantity	Value	Quantity	Value
Exports†															
Fruits and Vegetables	Value	—	1,36	—	73	—	47	—	64	—	1,98	—	3,20	—	3,82
Spices	000 cwts.	12·6	8,57	11·5	8,97	6·7	7,46	2·7	4,03	6·1	6,66	33·5	29,03	27·0	27,12
Tobacco-Unmanufactured.. ..	million lbs.	0·1	42	0·8	9,18	0·5	3,31	0·6	11,17	—	—	2·0	24,08	1·9	23,66
Tobacco Manufactured.. ..	000 lbs.	7	18	12	1,11	3	29	—	—	6	59	22	1,58	21	1,98
Coal	000 tons	1,78	69,65	1,47	51,99	1,94	58,42	2,64	72,85	2,60	70,92	7,83	2,52,91	8,65	2,54,18
Mustard oil ..	000 cwts.	—	—	—	—	—	—	0·1	15	—	—	0·1	15	0·1	15
Hides and skins, tanned	Value	—	—	—	51	—	22	—	—	—	—	—	73	—	73
Cotton twist and yarn	000 lbs.	1,93	5,40	—	—	—	—	1,46	6,00	4	16	3,39	11,40	1,50	6,16
Cotton piecegoods	000 yds.	66,17	46,44	8,19	8,23	51,14	54,54	1,76,53	1,47,30	7,58	10,34	3,02,03	2,56,51	2,43,44	2,20,40
Gunny Bags ..	Tons	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Gunny cloth ..	Tons	1,47	2,01	1,46	4,06	—	—	—	—	—	—	2,93	6,07	1,46	4,06
Others			93,67		1,33,63		83,32		1,20,75		97,06	—	4,31,37		4,34,76
TOTAL			**2,27,70**		**2,18,41**		**2,08,03**		**3,62,89**		**1,87,71**		**10,17,03**		**9,77,04**
Imports															
Grain, Pulse and Flour	Value	—	12	—	3	—	4,58	—	33,37	—	17,83	—	38,10	—	55,81
Fruits and Vegetables	„	—	2,87	—	12,11	—	25,57	—	12,22	—	2,52	—	52,77	—	52,42
Hides and skins, raw	000 cwts	8·0	7,02	9·2	9,35	24·3	20,06	19·9	14,05	22·9	15,34	61·4	50,48	76·3	58,80
Oilseeds	Tons	—	—	—	—	21	10	166	79	310	1,01	187	89	497	1,90
Raw jute	000 bales	3,66	3,90,86	296	3,04,29	1,97	1,90,09	3,58	3,51,16	3,72	4,54,73	12,17	12,36,40	12,23	13,00,27
Others			95,77		69,15		1,05,13		1,35,68		1,58,76		4,05,73		4,68,72
TOTAL			**4,96,64**		**3,94,93**		**3,45,53**		**5,47,27**		**6,50,19**		**17,84,37**		**19,37,92**

* Data shown are provisional and do not necessarily represent the latest figures as revisions are carried out from time to time.
† Indian merchandise only.
Source : Director-General of Commercial Intelligence and Statistics.

STATEMENT 80

India's Foreign Exchange Reserves

(Lakhs of Rupees)

End of		Assets*	Liabilities†	Net Assets	Movement**
1950-51	.. .. ..	963,86	129,00	834,86	− 18,47
1951-52	.. .. ..	795,34	140,75	654,59	−180,27
1952-53	.. .. ..	813,79	102,79	711,00	+ 56,41
1953-54	.. .. ..	844,78	87,07	757,71	+ 46,71
1954-55	.. ..	827,64	75,81	751,83	− 5,88
April	1953	814,41	102,12	712,29	+ 1,29
May	„	811,23	101,98	709,25	− 3,04
June	„	810,35	105,95	704,40	− 4,85
July	„	798,06	99,25	698,81	− 5,59
August	„	797,76	97,11	700,65	+ 1,84
September	„	797,51	95,59	701,92	+ 1,27
October	„	800,29	90,60	709,69	+ 7,77
November	„	812,75	87,35	725,40	+ 15,71
December	„	823,23	91,85	731,38	+ 5,98
January	1954	834,36	93,00	741,36	+ 9,98
February	„	851,74	98,17	753,57	+ 12,21
March	„	844,78	87,07	757,71	+ 4,14
April	„	847,17	89,60	757,57	− 14
May	„	845,25	96,06	749,19	− 8,38
June	„	841,07	98,86	742,21	− 6,98
July	„	822,49	89,72	732,77	− 9,44
August	„	818,78	84,76	734,02	+ 1,25
September	„	819,49	89,84	729,65	− 4,37
October	„	817,99	85,92	732,07	+ 2,42
November	„	816,44	80,37	736,07	+ 4,00
December	„	827,33	85,07	742,26	+ 6,19
January	1955	833,87	85,58	748,29	+ 6,03
February	„	833,46	83,07	750,39	+ 2,10
March	„	827,64	75,81	751,83	+ 1,44

* Include (*a*) 7·1 million ounces of gold held by the Reserve Bank, which is valued at the statutory price of Rs. 21-3-10 per tola; (the international price of gold works out to Rs. 166·7 per ounce), (*b*) foreign assets of the Reserve Bank and authorised dealers and (*c*) Government balances held abroad.

† Include liabilities of the Reserve Bank and authorised dealers to non-resident official institutions and banks.

** Net movement increasing (+) decreasing (−)

STATE

STERLING TRANSACTIONS OF THE

		FORWARD CONTRACTS					
		Purchases†		Sales**		Net Purchases (+) / Sales (−)	
		£ thousands	Rs. lakhs	£ thousands	Rs. lakhs	£ thousands	Rs. lakhs
1	1950-51	344,098	458,80	21,526	28,73	+322,572	+ 430,07
2	1951-52	189,862	253,15	71,875	95,92	+117,987	+ 157,23
3	1952-53	118,355	157,81	8,250	11,01	+110,105	+ 146,80
4	1953-54	103,170	137,56	3,575	4,77	+ 99,595	+ 132,79
5	1954-55	103,295	137,73	1,300	1,74	+101,995	+ 135,99
6	April 1953..	7,555	10,07	530	71	+ 7,025	+ 9,36
7	May " ..	3,790	5,05	1,150	1,53	+ 2,640	+ 3,52
8	June " ..	12,300	16,40	—	—	+ 12,300	+ 16,40
9	July " ..	12,010	16,01	50	7	+ 11,960	+ 15,94
10	August " ..	5,185	6,91	—	—	+ 5,185	+ 6,91
11	September " ..	7,965	10,62	400	53	+ 7,565	+ 10,09
12	October " ..	10,575	14,10	300	40	+ 10,275	+ 13,70
13	November " ..	11,690	15,59	—	—	+ 11,690	+ 15,59
14	December " ..	9,980	13,31	145	19	+ 9,835	+ 13,11
15	January 1954..	6,410	8,55	500	67	+ 5,910	+ 7,88
16	February " ..	8,225	10,97	—	—	+ 8,225	+ 10,97
17	March " ..	7,485	9,98	500	67	+ 6,985	+ 9,31
18	April " ..	6,790	9,05	500	67	+ 6,290	+ 8,39
19	May " ..	3,475	4,63	650	87	+ 2,825	+ 3,77
20	June " ..	4,075	5,43	—	—	+ 4,075	+ 5,43
21	July " ..	5,555	7,41	100	13	+ 5,455	+ 7,27
22	August " ..	7,900	10,53	—	—	+ 7,900	+ 10,53
23	September " ..	5,525	7,37	—	—	+ 5,525	+ 7,37
24	October " ..	8,470	11,29	—	—	+ 8,470	+ 11,29
25	November " ..	8,140	10,85	50	7	+ 8,090	+ 10,79
26	December " ..	14,620	19,49	—	—	+ 14,620	+ 19,49
27	January 1955..	12,965	17,29	—	—	+ 12,965	+ 17,29
28	February " ..	17,115	22,82	—	—	+ 17,115	+ 22,82
29	March " ..	8,665	11,55	—	—	+ 8,665	+ 11,55

Note.—Average rate relating to purchases is 1 sh. 6d. and that relating to sales is 1sh. 5 63/64d. correct to the nearest 1/64th d. Totals may not add up owing to rounding and conversion.

† Including cancellations of forward sale contracts. ** Including cancellations of forward purchase contracts.

MENT 81

Reserve Bank of India*

DELIVERIES										
Spot Transactions				Against Forward Contracts				Total deliveries: Net Purchases(+) / Sales (−)		
Purchases		Sales		Purchases		Sales				
£ thousands	Rs. lakhs	£ thousands	Rs. lakhs	£ thousands	Rs. lakhs	£ thousands	Rs. lakhs	£ thousands	Rs. lakhs	
1,075	1,43	88,092	117,56	216,974	289,30	730	97	+129,227	+172,17	1
690	92	216,827	289,36	262,697	350,26	7,559	10,09	+ 39,001	+ 51,73	2
1,540	2,05	63,718	85,03	139,760	186,35	3,600	4,80	+ 73,982	+ 98,57	3
4,083	5,44	16,460	21,97	105,670	140,89	1,000	1,33	+ 92,293	+123,05	4
7,064	9,42	26,697	35,63	93,095	124,13	2,100	2,80	+ 71,362	+ 95,12	5
—	—	2,280	3,04	6,510	8,68	—	—	+ 4,230	+ 5,64	6
45	6	2,830	3,78	7,075	9,43	—	—	+ 4,290	+ 5,71	7
250	33	685	91	9,125	12,17	1,000	1,33	+ 7,690	+ 10,25	8
—	—	5,660	7,55	3,780	5,04	—	—	− 1,880	− 2,51	9
—	—	2,230	2,98	5,720	7,63	—	—	+ 3,490	+ 4,65	10
100	13	265	35	8,915	11,89	—	—	+ 8,750	+ 11,67	11
—	—	675	90	6,335	8,45	—	—	+ 5,660	+ 7,55	12
55	7	235	31	10,580	14,11	—	—	+ 10,400	+ 13,87	13
1,528	2,04	660	88	15,095	20,13	—	—	+ 15,963	+ 21,28	14
120	16	250	33	10,310	13,75	—	—	+ 10,180	+ 13,58	15
495	66	280	37	11,185	14,91	—	—	+ 11,400	+ 15,20	16
1,490	1,99	410	55	11,040	14,72	—	—	+ 12,120	+ 16,16	17
—	—	2,660	3,55	3,945	5,26	500	67	+ 785	+ 1,04	18
700	93	2,645	3,53	4,695	6,26	50	7	+ 2,700	+ 3,59	19
50	7	6,400	8,54	4,420	5,89	—	—	− 1,930	− 2,58	20
100	13	5,365	7,16	3,075	4,10	1,300	1,73	− 3,490	− 4,66	21
—	—	2,945	3,93	4,630	6,17	250	33	+ 1,435	+ 1,91	22
1,045	1,39	1,812	2,42	8,130	10,84	—	—	+ 7,363	+ 9,81	23
170	23	1,780	2,38	4,310	5,75	—	—	+ 2,700	+ 3,60	24
—	—	1,735	2,32	5,745	7,66	—	—	+ 4,010	+ 5,34	25
1,809	2,41	465	62	16,015	21,35	—	—	+ 17,359	+ 23,14	26
245	33	155	21	10,220	13,63	—	—	+ 10,310	+ 13,75	27
845	1,13	355	47	16,770	22,36	—	—	+ 17,260	+ 23,02	28
2,100	2,80	380	51	11,140	14,85	—	—	+ 12,860	+ 17,14	29

* Excluding Government transactions.

STATEMENT 82

INDIA'S TRADE AGREEMENTS, 1954-55

Countries	Date of Agreement	Duration	Important Imports into India	Important Exports from India
1. Finland	April 15, 1954	Extension of the earlier agreement for two years from January 1, 1954.	Cheese, potassium chloride, bone glue, wooden bobbins for textile industry, teachests, newsprint, paper products, agricultural machinery, plywood, pulp, paper and board mill machineries, electrical and tele-communication cables etc.	Sheep casings—salted, tobacco, hides and skins, spices, jute goods, tea, coffee, cashewnuts, vegetable oils, raw wool, woollen textiles, Indian handicraft and cottage industry products, cotton, silk and rayon textiles, iron ore etc.
	February 21, 1955	1954 schedules revised	....	....
2. Tibet Region of China	April 29, 1954	....	Agreement with the People's Republic of China on Tibet region of China providing for (1) peaceful co-existence (2) equali y and mutual benefit, (3) mutual non-interference in each others internal affairs, (4) mutual respect for each other's territorial integrity and sovereignty, etc.	
3. Austria	May 5, 1954	Validity of the agreement signed on December 9, 1952, extended up to December 31, 1954.	....	....
	March 8, 1955	Validity further extended upto June 30, 1955.		
4. Sweden	June 8, 1954	Schedules setting out the import requirements of Sweden and India for 1954 appended to the current agreement.	Condensed milk, newsprint, staple fibre, certain types of dyes and chemicals, machine tools, agricultural machinery, heavy electricals, telegraph and telephone equipment etc.	Cotton textiles, silk and rayon fabrics, jute goods, coir and coir products, raw wool and woollen manufactures, hides and skins tanned, essential oils and oil seeds, spices, tea, coffee, tobacco, shellac, manganese ore, chrome ore, iron ore, raw cotton etc.
5. Hungary	June 17, 1954	Agreement valid upto December 31, 1955 and thereafter for a further period of two years unless either party declares its intention to terminate the agreement three months prior to December 31, 1955.	Hydroturbines, electric motors, machinery, electro-medical apparatus, motor cycles and spare parts, sheet and plate glass, artificial silk goods, household and fine porcelain etc.	Tea, tobacco, spices, cashew kernels, shellac, vegetable oils, mica, manganese ore, jute goods, coir and coir manufactures, cottage industry products, leather and leather goods etc.
	March 10, 1955			The Agreement provides for the inclusion of groundnut oil to the list of goods available for export from India for 1955.

6. Italy ..	July 29, 1954 ..	Valid till December 31, 1955.	Preserved foodstuffs, manufactures of aluminium and alloys thereof, railway rolling stock, machinery, typewriters, adding and calculating machines, machine tools, apparatus and equipment for cinematography, photographic cameras, sulphur, dye-stuffs etc.	Tea, tobacco, coal, mineral ores like manganese ore, kyanite ore, lac and shellac, essential oils, certain drugs and medicines, sports goods, raw goat and sheep skins, carpets, coir, coir yarn and coir manufactures etc.
7. China ..	October 14, 1954 ..	Two years.	Rice, soya beans, antimony, graphite, silk and silk piecegoods, porcelain, glass and glassware, vegetable products, tung oil, cassia, menthol crystals etc.	Rice, pulses, spices, tobacco, metallic ores, vegetable and essential oils, electrical and other apparatus and appliances, machinery, machine tools, cotton piecegoods, sewing machines, jute manufactures, agricultural implements, mica, cement, tyres and tubes etc.
8. German Democratic Republic	October 16, 1954 ..	Valid for one year from the date of signature and for a further period of one year unless either party declares its intention to terminate or modify the agreement three months prior to the date of expiry of one year.	Air-conditioning plants, all varieties of cranes, electric furnaces, electric motors, machinery, locomotives, chemicals, optical and scientific instruments, photographic cameras and lenses, telegraph and telephone equipment, wireless communication equipment, textile and leather auxiliaries etc.	Tea, coffee, tobacco and tobacco manufactures, pepper, spices, iron ore, manganese ore, chrome ore, coir and coir manufactures, gums and resins, mica, shellac, cotton piece goods, jute yarns and fabrics, silk and woollen fabrics, Indian handicrafts and cottage industry products, leather and leather manufactures etc.
9. Indonesia ..	November 24, 1954 ..	Extension of the earlier agreement till June 30, 1955.	....	....
10. Iraq ..	December 22, 1954 ..	Earlier agreement extended for one year upto December 31, 1955.	Animals, raw cotton, dates, food grains, hides and skins etc.	Food and agricultural products, timber and related products, rubber manufactures, handicrafts and jewellery, iron and steel and their products, precious and semi-precious stones, chemicals and related products etc.

STATEMENT 82—(*Contd.*)

Countries	Date of Agreement	Duration	Important Imports into India	Important Exports from India
11. U. S. S. R. ..	December 23, 1954 ..	Agreed that schedules attached to the five-year agreement would remain in force without change for 1955.	....	....
12. Czechoslovakia ..	December 31, 1954 ..	Extension of the previous agreement by three months from January 1, 1955 pending further negotiations for its renewal.	....	....
13. Federal Republic of Germany	February 5, 1955 ..	Extension of the previous agreement by two months upto March 31, 1955 pending further negotiations for its renewal.	....	....
14. Bulgaria ..	February 9, 1955 ..	Validity of the existing agreement extended by one year from January 1, 1955.	Tiles, glass, textiles, carbide, dried fruits, machinery etc.	Tea, spices, shellac, essential oils, wool, cotton, coir yarn, drugs and medicines etc.
15. Poland ..	March 3, 1955	Extension of the previous agreement for a further period of one year from January 1, 1955.	....	....
Treaty of Commerce of Navigation				
Iran ..	December 1954,	Agreement for the regulation on a reciprocal basis of the rights and obligations of nationals of either country in the territory of the other and the strengthening of the trade and commercial relations.	....	....

STATEMENT 83

TARIFF COMMISSION, 1954-55

Industry 1	Purpose 2	Main observations of the Commission 3	Government's action on the recommendations 4
A. Tariff Inquiries			
Automobile leaf springs	Fresh case for protection	Recommended protection upto December 1956. The existing standard rate of 50 per cent *ad valorem* to be converted into a protective duty, and the preferential rate to be fixed in accordance with the terms of relevant agreements.	Accepted. However, with the abolition of the preferential duty under Finance Act 1954 on tariff item 75 (10) (*iii*), among others, the new item to be assigned to leaf springs, and parts thereof, adapted for use as parts and accessories of motor vehicles will be subject to a protective duty of 50 per cent *ad valorem* at the standard rate only with no surcharge applicable to it.
Caustic soda and bleaching powder	Fresh case for protection. However, claims on two previous occasions were examined and rejected.	Recommended the conversion of the existing preferential duty of 27·3 per cent *ad valorem* on caustic soda into a protective duty and adjustment of the standard rate of duty in accordance with the terms of the relevant trade agreements with provision for the adjustment of the rates of duty in case of a change in tariff values. Imposition of a 15 per cent protective duty on bleaching powder also recommended. The duties should remain in force till December 31, 1958.	Accepted.
Automobile sparking plugs	Fresh case for protection	Protection to be granted till December 31, 1955, by increasing the rate of duty on sparking plugs of British manufacture to 85 per cent *ad valorem* and standard rate of duty to be fixed at 92½ per cent *ad valorem*.	Accepted.
Dyestuffs	,,	Protection to be granted upto December 31, 1964. Recommended (1) introduction of a new item under section 30(13) of the Indian Customs Tariff for Acid Azo dyes, direct Azo dyes and sulphur black with a protective duty of 20 per cent *ad valorem*, (2) the conversion of the existing 12 per cent *ad valorem* duty on congo red, fast colour salts etc. into a protective duty and the introduction of a separate ICT item for these dyes, (3) the reduction of the standard rate of duty on specific intermediates to 10 per cent *ad valorem*, etc.	Accepted with modifications— (1) Congo red which falls under the category direct Azo dyes should also be charged a protective duty of 20 per cent. (2) Restriction of the increase in duty to 20 per cent *ad valorem* applicable to items in 30 (13) of the ICT to only such of the dyes as were being manufactured in India, (3) Fresh inquiry to be held at the end of 1955.

STATEMENT 83—(*Contd.*)

Industry	Purpose	Main observations of the Commission	Government's action on the recommendations
Automobile hand tyre inflators	Fresh case for protection	Recommended a protective duty of 45 per cent *ad valorem* on hand-operated tyre inflators, to remain in force till December 31, 1957.	Accepted
Coated Abrasives ..	Continuance of protection.	Recommended extension upto December 31, 1955.	Accepted
Sago and Tapioca	,,	Recommended extension till the end of 1956 and enhancement of the duty on sago globules and tapioca pearls from 24 per cent *ad valorem* plus 5 per cent of the total duty in the case of products of British colonies to 36 per cent *ad valorem* plus 5 per cent of the duty, and the adjustment of the standard rate according to the terms of the Indo-British Agreement.	Accepted.
Bichromates ..	,,	Extension recommended for a period of four years from January 1, 1955 ; customs duty on soda ash imported for use in the manufacture of bichromates for exports should be refunded.	Accepted
Preserved fruits	,,	Recommended continuance of protection upto December 31, 1956, with certain modifications in the rates of protective duty.	Accepted with certain modifications in the rates suggested by the Commission.
Electric brass lamp-holders	,,	Protection to be continued till December 31, 1956, but at a lower rate.	Accepted. Government, however, did not agree with the suggestion in regard to lowering the duty.
Antimony	,,	Recommended continuance upto December 31, 1956, at the existing rates of duties.	Accepted, but decided to raise the basic rate on both antimony and crude antimony so as to include the existing surcharge of 5 per cent and exempt the items from the levy of surcharge.
Sheet glass	,,	Continuance recommended for a period of three years from January 1, 1955. Suggested also an enhancement of the existing duty to 70 per cent *ad valorem*.	Accepted.
Bicycles	,,	Protection to continue for two more years upto December 31, 1956. Rate of duty on bicycles as well as component parts and accessories of British manufacture to be fixed at 45 per cent *ad valorem* exclusive of surcharge and the standard rate to be adjusted according to the terms of the relevant agreements.	Accepted continuance. Since, however, the duty of 47½ per cent *ad valorem* (including surcharge) might be inadequate in some cases an alternative specific duty of Rs. 60/- per bicycle should be imposed, the standard rate being adjustable according to the terms of the relevant agreements.

Cotton and Hair belting	Continuance of protection	Existing protective duty of 10½ per cent *ad valorem* to continue upto December 31, 1956.	Accepted.
Cocoa powder and chocolate	,,	Existing import duty on cocoa powder to continue till December 31, 1956, while the duty on chocolates should be increased valid till December 31, 1956.	Accepted.
Stearic Acid and Oleic Acid.	..	(1) The derivatives of stearic acid and oleic acid should be granted the same quantum of protection as is granted to the respective fatty acids. (2) A protective specific duty at the standard rate of 8 annas per lb. should be levied on stearic acid and its derivatives as well. (3) Existing protective duty at the standard rate of 31¼ per cent *ad valorem* including surcharge should be continued on oleic acid, the same rate being applicable to derivatives; the duties should remain in force till December 31, 1957.	Accepted with slight modifications in the rates of duty. Decided that a uniform duty at the rate of 31¼ per cent *ad valorem* or 8 annas per lb. should be levied on all sub-items.
Cotton Textiles Machinery	,,	Existing protective duty of 10½ per cent *ad valorem* on spinning ring frames, spinning ring spindles, spinning rings and fluted rollers to be continued upto December 31, 1957. Parts of spinning ring frames should be subject to the same rate of duty of 10½ per cent *ad valorem*	Accepted.
Oil Pressure Lamps	,,	The existing protective duty of 30 per cent *ad valorem* (exclusive of surcharge) on oil pressure lamps should be continued for a further period of 3 years *i.e.*, upto December 1957 and the protective duty should apply to all hurricane and hanging types of oil pressure lamps without any distinction of candle power.	Accepted.
Hurricane Lanterns	,,	Since the fair ex-works prices of indigenous hurricane lanterns were found to be lower than the landed cost ex-duty of the imported lanterns and since the industry had made considerable progress during the period of protection both in regard to capacity and production the Commission suggested termination of protection beyond December 31, 1954.	Accepted.
Pickers	,,	Since the landed cost ex-duty of imported cotton and jute pickers was higher than the fair ex-works prices of corresponding indigenous varieties the Commission suggested withdrawal of protection from January 1, 1955.	Accepted

STATEMENT 83—(*Contd.*)

Industry	Purpose	Main observations of the Commission	Government's action on the recommendations
Sewing Machines	Continuance of protection.	Discontinuance of protection suggested in view of (1) the enormous increase in production, (2) the improvement in the quality of domestic machines as compared to the imported ones, and (3) expansion programme of the principal unit which will meet not only domestic requirements but also export demand.	Accepted
Zip fasteners	,,	The Commission was of the opinion that a duty of 165 per cent *ad valorem* which would be required to afford effective protection to the industry was not justifiable under the circumstances of the case and since the industry had not made any satisfactory progress with the protection granted hitherto there was no case for extension of protection. The existing duty of 66⅔ per cent *ad valorem* on the import of zip fasteners should itself be sufficient to improve the position. The industry could, however, seek protection again when it is established on a more effective basis.	Accepted.
B. Price Inquiries			
Retention prices of tin plate payable to the Tin Plate Co. of India Ltd.	Referred to the Comission for review of the retention price of tin plate payable for as long a period as possible beyond December 31, 1952, and for examination of fair retention prices for 28 and 30 gauge black sheets which the Company had been authorised to produce.	Recommended fair retention prices for different gauges of tin plate and black sheets manufactured by the Company for the year 1953 and for the years 1954 to 1956.	Accepted the recommendations of the Commission for fixing the average retention price for 1953 at the same level as for 1952 (Rs. 807 per ton) and for reducing the retention price for 1954-1956 to Rs. 762·9 per ton.

STATEMENT 84

India Currency in Circulation

(Lakhs of Rupees)

	Circulation (*a*)			Increase (+) or Decrease (–) in Circulation (*b*)			
	Notes (*c*) 1	Rupee Coin (*d*) 2	**Total (1+2) 3**	Notes 4	Rupee Coin 5	Small Coin 6	**Total (4+5+6) 7**
1950-51	1,204,24	138,45	**1,342,69**	+ 83,89	+ 5,84	– 3,20	**+ 86,53**
1951-52	1,097,94	125,45	**1,223,39**	–100,21(e)	–13,00	– 3,05	**–116,26**
1952-53	1,089,95	119,71	**1,209,66**	– 7,99	– 5,74	– 4,09	**–17,82**
1953-54	1,142,75	117,92	**1,260,67**	+ 52,81	– 1,79	– 3,17	**+47,85**
1954-55 ..	1,233,92	112,98	**1,346,90**	+ 91,17	– 4,94	– 1,14	**+85,09**
April 1953 ..	1,116,58	120,36	**1,236,94**	+ 26,64	+ 65	+ 17	**+27,46**
May " ..	1,115,71	119,64	**1,235,35**	– 87	– 72	+ 19	**– 1,40**
June " ..	1,094,93	116,79	**1,211,72**	– 20,78	– 2,85	– 24	**–23,87**
July " ..	1,050,97	116,41	**1,167,38**	– 43,96	– 38	– 63	**–44,97**
August " ..	1,039,76	114,34	**1,154,10**	– 11,21	– 2,07	– 41	**–13,69**
September " ..	1,028,31	112,94	**1,141,25**	– 11,45	– 1,40	– 67	**– 13,52**
October " ..	1,034,62	111,35	**1,145,97**	+ 6,31	– 1,59	– 52	**+ 4,20**
November " ..	1,053,68	111,64	**1,165,32**	+ 19,06	+ 30	– 35	**+19,01**
December " ..	1,082,35	113,50	**1,195,85**	+ 28,67	+ 1,86	– 33	**+30,20**
January 1954 ..	1,112,84	115,31	**1,228,15**	+ 30,49	+ 1,82	– 15	**+32,16**
February " ..	1,128,26	116,18	**1,244,44**	+ 15,42	+ 87	– 11	**+16,18**
March " ..	1,142,75	117,92	**1,260,67**	+ 14,50	+ 1,73	– 11	**+16,12**
April " ..	1,174,02	112,77	**1,286,79**	+ 31,27	– 5,15	+ 22	**+26,34**
May " ..	1,159,75	113,47	**1,273,22**	– 14,27	+ 70	+ 29	**–13,28**
June " ..	1,131,32	112,57	**1,243,89**	– 28,43	– 90	– 9	**–29,42**
July " ..	1,099,57	108,71	**1,208,28**	– 31,75	– 3,86	– 49	**–36,10**
August " ..	1,094,18	106,86	**1,201,04**	– 5,39	– 1,85	– 46	**– 7,70**
September " ..	1,103,97	106,93	**1,210,90**	+ 9,79	+ 7	– 40	**+ 9,46**
October " ..	1,118,77	107,13	**1,225,90**	+ 14,80	+ 20	– 13	**+14,87**
November " ..	1,118,72	106,52	**1,225,24**	– 5	– 61	– 19	**– 85**
December " ..	1,157,32	109,33	**1,266,65**	+ 38,60	+ 2,81	– 10	**+41,31**
January 1955 ..	1,174,55	110,22	**1,284,77**	+ 17,23	+ 89	– 8	**+18,04**
February " ..	1,198,82	112,23	**1,311,05**	+ 24,27	+ 2,01	+ 12	**+26,40**
March " ..	1,233,92	112,98	**1,346.90**	+ 35,10	+ 75	+ 17	**+36,02**

Note.—Figures relate to India currency (for data relating to *Hali Sicca* Currency see Statement 90). (*a*) At the end of period. (*b*) The figures are not adjusted to take account of net inward or outward movements of currency. (*c*) Figures are net of the return of about Rs. 43 crores from Pakistan awaiting adjustment. (*d*) Estimated (for details see footnote to Statement 86 of last year's Report). (*e*) Figures are net of adjustments made in respect of India notes retired from circulation in Aden.

STATEMENT 85

Circulation of India Notes by Denominations

(Rupees In Lakhs)

Year ended December	Rs. 2	Percentage of (1) to (15)	Rs. 5	Percentage of (3) to (15)	Rs. 10	Percentage of (5) to (15)	Rs. 100	Percentage of (7) to (15)	Rs. 1,000*	Percentage of (9) to (15)	Rs. 5,000*	Percentage of (11) to (15)	Rs. 10,000*	Percentage of (13) to (15)	Total (1+3+5 7+9+11 +13)
	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
1950	25,15	*2·2*	166,03	*14·1*	483,87	*41·1*	500,98	*42·6*							**1,176,03**
1951	25,43	*2·2*	157,41	*13·6*	477,42	*41·1*	500,90	*43·1*							**1,161,16**
1952	23,43	*2·1*	141,20	*12·7*	461,64	*41·4*	487,49	*43·8*							**1,113,76**
1953	24,85	*2·2*	144,72	*12·6*	484,41	*42·2*	494,21	*43·0*							**1,148,19**
1954	26,52	*2·2*	150,57	*12·3*	511,50	*41·6*	502,02	*40·9*	32,06	*2·6*	5,04	*0·4*	1,01	*0·1*	**1,228,72**

Note.— Figures are inclusive of Rs. 43 crores of India notes retired from circulation in Pakistan and awaiting adjustment ; those from 1951 are net of India notes returned from circulation in Aden.

*Relate to the new high denomination notes issued from April 1954.

STATEMENT 86

Movements in Circulation of India Small Coin (Denomination-wise)

ABSORPTION (+) OR RETURN (–)

(Thousands of Rupees)

	Half rupees†	Four anna pieces‡	Two anna pieces§	One anna pieces	Half anna pieces*	Single pice**	Half pice	Pie pieces	Total
1950-51	–1,00,54	– 97,53	– 60,09	– 65,54	– 3,78	+ 7,73	– 7	+ 3	**–3,19,79**
1951-52	–1,06,57	– 84,04	– 61,78	– 62,55	– 1,73	+ 11,28	+ 6	+ 1	**–3,05,32**
1952-53	–1,52,06	–1,02,46	– 75,89	– 75,47	– 9,54	+ 6,04	– 2	—	**–4,09,40**
1953-54	–1,16,18	– 80,12	– 56,04	– 60,18	– 4,88	+ 95	– 10	– 7	**–3,16,62**
1954-55	– 56,39	– 30,60	– 15,16	– 15,75	– 1,22	+ 5,27	– 13	– 4	**–1,14,02**

† Since the inauguration of the Reserve Bank in 1935, silver half rupees have been included in statistics relating to small coin ; including pure nickel half rupees introduced in May 1946. ‡ Including pure nickel four anna pieces introduced in May 1946. § Including nickel two anna pieces introduced in 1917-18. * Nickel half anna pieces introduced in January 1942. ** Including single pice pieces with a circular hole issued from February 1943.

STATEMENT 87

Movements in Circulation of India Small Coin (Metal-Wise)

ABSORPTION (+) OR RETURN (–)

(Lakhs of Rupees)

	1950-51	1951-52	1952-53	1953-54	1954-55
I. Standard Silver					
8 annas	—	—	—	—	—
4 annas	—	—	—	—	—
Total Standard Silver Coin ..	—	—	—	—	—
II. Quaternary Silver					
8 annas	–1,51	–1,23	–1,64	–1,31	–1,22
4 annas	–1,34	– 99	–1,33	–1,07	– 97
Total Quaternary Silver Coin ..	**–2,85**	**–2,22**	**–2,97**	**–2,38**	**–2,19**
III. Pure Nickel					
8 annas	+ 50	+ 17	+ 13	+ 15	+ 66
4 annas	+ 41	+ 19	+ 35	+ 29	+ 68
Total Pure Nickel Coin	**+ 91**	**+ 36**	**+ 48**	**+ 44**	**+1,34**
IV. Nickel-Alloy*					
4 annas	– 4	– 4	– 4	– 1	– 1
2 annas	– 60	– 62	– 76	– 56	– 15
1 anna	– 66	– 63	– 75	– 60	– 16
½ anna	– 4	– 2	– 10	– 5	– 1
Total Nickel-Alloy Coin	**–1,34**	**–1,31**	**–1,65**	**–1,22**	**– 33**
Total Nickel Coin (III+IV) ..	**– 43**	**– 95**	**–1,17**	**– 78**	**+1,01**
V. Copper**					
Single Pice	+ 8	+ 11	+ 6	+ 1	+ 5
Half Pice	—	—	—	—	—
Pie Pieces	—	—	—	—	—
Total Copper Coin..	**+ 8**	**+ 11**	**+ 6**	**+ 1**	**+ 5**
VI. Total Small Coin	**–3,20**	**–3,05**	**–4,09**	**–3,17**	**–1,14**

* Cupro-nickel and nickel-brass coins. ** Including bronze coins.

STATEMENT 88

Movements in Circulation of India Small Coin (Circle-wise)

ABSORPTION(+) OR RETURN(–)

(Thousands of Rupees)

	Bombay	Calcutta	Delhi	Kanpur	Madras	**Total**
1950-51 ..	– 32,43	–1,51,36	– 22,78	–1,14,13	+ 91	**–3,19,79**
1951-52 ..	– 16,89	–1,79,93	– 8,77	– 90,07	– 9,66	**–3,05,32**
1952-53 ..	+ 23,96	–2,15,28	– 9,84	–1,51,58	– 56,66	**–4,09,40**
1953-54 ..	– 32,01	– 93,07	– 10,22	–1,19,91	– 61,41	**–3,16,62**
1954-55 ..	+ 9,92	– 29,00	+ 25	– 86,81	– 8,38	**–1,14,02**

STATEMENT 89

Lost, Destroyed and Mutilated Notes, 1954-55

	No. of claims admitted	No. of pieces	Amount of claims admitted Rs.	Amount paid against claims Rs.
Lost or wholly destroyed notes	859	1,590	1,59,000	92,450*
Half notes	1,174	2,029	2,02,750	94,600
Mutilated Notes :—				
Registered (Denominations of Rs. 20 to Rs. 100)	8,278**	19,689	19,70,640	17,96,540
Unregistered (Denominations of Re. 1 to Rs. 10)	61,374**	8,50,795	49,57,371	58,64,562
Government of India one rupee notes ..		10,44,916	10,44,916	

* Includes amount paid during 1954-55 in respect of claims admitted in previous years.

**Excludes figures for soiled notes in respect of the Bombay circle.

STATEMENT 90

Circulation of Hali Sicca Currency§

(Crores of India Rupees)

	Circulation†			Increase (+) or Decrease (−) in Circulation			
	Notes	Rupee Coin*	Total (1+2)	Notes	Rupee Coin*	Small Coin	Total
	1	2	3	4	5	6	7
1938-39	11·17	16·49	**27·66**	..	..	..	..
1945-46	38·76	5·01	**43·77**	..	..	..	..
1946-47	43·76	6·62	**50·38**	+ 5·00	+ 1·61	+ 0·23	**+ 6·84**
1947-48	44·58	6·27	**50·85**	+ 0·82	− 0·35	+ 0·03	**+ 0·50**
1948-49	48·19	5·70	**53·89**	+ 3·61	− 0·57	+ 0·12	**+ 3·16**
1949-50	30·27	5·66	**35·93**	−17·92	− 0·04	+ 0·07	**−17·89**
1950-51	34·36	5·66	**40·02**	+ 4·09	—	+ 0·18	**+ 4·27**
1951-52	30·35	5·66	**36·01**	− 4·01	—	+ 0·05	**− 3·96**
1952-53	29·11	5·50	**34·61**	− 1·24	− 0·16	− 0·05	**− 1·45**
1953-54	7·42	2·80	**10·22**	−21·70	− 2·71	− 0·22	**−24·63**
1954-55	2·52	2·03	**4·55**	− 4·90	− 0·77	− 0·30	**− 5·97**
April 1953 ..	23·58	4·09	**27·67**	− 5·53	− 1·42	− 0·02	**− 6·97**
May ,, ..	20·70	3·87	**24·57**	− 2·88	− 0·22	—	**− 3·10**
June ,, ..	18·90	3·71	**22·61**	− 1·80	− 0·15	− 0·01	**− 1·96**
July ,, ..	16·26	3·46	**19·72**	− 2·64	− 0·25	− 0·06	**− 2·95**
August ,, ..	14·91	3·32	**18·23**	− 1·35	− 0·14	− 0·02	**− 1·51**
September ,, ..	13·71	3·22	**16·93**	− 1·20	− 0·10	− 0·03	**− 1·33**
October ,, ..	12·36	3·12	**15·48**	− 1·34	− 0·10	− 0·02	**− 1·46**
November ,, ..	11·21	3·05	**14·26**	− 1·15	− 0·06	− 0·01	**− 1·22**
December ,, ..	10·33	2·99	**13·32**	− 0·89	− 0·06	− 0·01	**− 0·96**
January 1954 ..	9·06	2·92	**11·98**	− 1·26	− 0·07	− 0·01	**− 1·34**
February ,, ..	8·24	2·86	**11·10**	− 0·82	− 0·06	− 0·01	**− 0·89**
March ,, ..	7·42	2·80	**10·22**	− 0·82	− 0·07	− 0·02	**− 0·91**
April ,, ..	6·77	2·74	**9·51**	− 0·65	− 0·06	− 0·01	**− 0·72**
May ,, ..	6·15	2·65	**8·80**	− 0·62	− 0·08	− 0·01	**− 0·71**
June ,, ..	5·73	2·60	**8·33**	− 0·42	− 0·05	− 0·02	**− 0·49**
July ,, ..	5·05	2·48	**7·53**	− 0·68	− 0·12	− 0·01	**− 0·81**
August ,, ..	4·61	2·41	**7·02**	− 0·44	− 0·07	− 0·03	**− 0·54**
September ,, ..	4·26	2·33	**6·59**	− 0·35	− 0·08	− 0·03	**− 0·46**
October ,, ..	3·98	2·27	**6·25**	− 0·28	− 0·06	− 0·01	**− 0·35**
November ,, ..	3·68	2·22	**5·90**	− 0·30	− 0·05	− 0·02	**− 0·37**
December ,, ..	3·43	2·18	**5·61**	− 0·25	− 0·04	− 0·10	**− 0·39**
January 1955 ..	3·12	2·15	**5·27**	− 0·31	− 0·03	− 0·01	**− 0·35**
February ,, ..	2·83	2·08	**4·91**	− 0·29	− 0·06	− 0·03	**− 0·38**
March ,, ..	2·52	2·03	**4·55**	− 0·31	− 0·05	− 0·02	**− 0·38**

Note.—For purposes of conversion, the official rate of India Rs. 100=*Hali Sicca* Rs. 116-10-8 has been used.

§ Figures are provisional. † At the end of period. * Includes one rupee notes.

STATEMENT 91

NOTE FORGERIES

Year	Re. 1 (Government of India Notes)	Rs. 2	Rs. 5	Rs. 10	Rs. 100	Total Number	Total Value Rs.
1950-51	2,400	84	1,676	2,783	182	**7,125**	**56,978**
1951-52	3,334	35	1,669	1,901	148	**7,087**	**45,559**
1952-53	4,257	74	966	1,060	238	**6,595**	**43,636**
1953-54	6,250	63	1,071	1,603	46	**9,033**	**32,361**
1954-55	6,785	838	1,625	1,785	2,177	**13,210**	**252,136**

STATEMENT 91 (A)

PROSECUTIONS ON ACCOUNT OF NOTE FORGERIES

Year	Fresh Prosecutions	Pending at the end of the previous year	**Total Trials**	Discharges	Convictions	Pending
1950-51	48	43	**91**	38	28	25
1951-52	36	25	**61**	19	23	19
1952-53	39	19	**58**	17	12	29
1953-54	16†	29	**45†**	13	8	24†
1954-55	31	24	55	10	18	27

† Revised.

STATEMENT 92

MINTAGE OF INDIA RUPEES AND SMALL COIN

(Lakhs of Rupees)

	Bombay Mint		Alipore Mint		Total Coined		Grand Total
	Whole Rupees*	Small Coin	Whole Rupees*	Small Coin	Whole Rupees* (1+3)	Small Coin (2+4)	(5+6)
	1	2	3	4	5	6	7
1950-51 ..	2,80	1,08	—	5**	2,80	1,12	3,92
1951-52 ..	—	1,38	—	61†	—	1,99	1,99
1952-53 ..	—	21	—	18	—	39	39
1953-54 ..	—	35	—	20	—	55	55
1954-55 ..	6	48††	—	2,10	6	2,58	2,63

Note :—From July 1951, the old Calcutta Mint was closed for coinage with the opening of the new Mint at Alipore (Calcutta).

* Nickel rupees. ** Minted at the old Calcutta Mint.

† Including coins of the value of Rs. 13,000 minted at the old Calcutta Mint.

†† „ „ „ Rs. 31,950 „ „ India Government Mint, Hyderabad (Dn.).

STATEMENT 92(A)

MINTAGE OF INDIA COINS BY DENOMINATIONS, 1954-55

Denomination	Bombay Mint Rs.	as.	Alipore Mint Rs.	as.	Total Rs.	as.
Nickel Rupees	5,84,000	0	—		5,84,000	0
„ Half Rupees	—		87,32,919	0	87,32,919	0
„ Quarter Rupees	—		112,50,000	0	112,50,000	0
Cupro-nickel Two annas	20,70,500	0	—		20,70,500	0
„ One anna	6,85,250	0	—		6,85,250	0
„ Half anna	9,88,250	0	4,30,250	0	14,18,500	0
Bronze Single Pice	10,20,650*	0	5,73,700	0	15,94,350	0
Total	**53,48,650**	**0**	**209,86,869**	**0**	**263,35,519**	**0**

* Including coins of value of Rs. 31,950 minted at the India Government Mint, Hyderabad (Dn.).

STATEMENT 93

Description of Coins in Active Circulation at the end of March 1955

Denomination	Gross Weight (Grains)	Composition (Proportion of Metals)	Diameter	Edge	Remarks
Standard Silver Quarter Rupee	.. 45	Silver 916·6 per mille and the rest base metal	0·75″ Round Coin	Milled	
,, ,, One-eighth Rupee	.. 22·5	,,	0·60″ ,,	Plain	
Quaternary Alloy Rupee	.. 180	Silver 50 per cent and rest base metal	1·2″ ,,	Milled and security edged	
,, ,, Half Rupee	.. 90	,,	0·95″ ,,	,,	
,, ,, Quarter Rupee	.. 45	,,	0·75″ ,,	,,	
Pure Nickel Rupee	.. 180	Nickel 100 per cent	1·1″ ,,	,,	
,, ,, Half Rupee	.. 90	,,	0·95″ ,,	Milled	
,, ,, Quarter Rupee	.. 45	,,	0·75″ ,,	,,	
Cupro-Nickel Four anna	.. 105	75 per cent Copper and 25 per cent Nickel	{0·925″ Across Flats {1·000″ ,, Corners	Plain	Scalloped Coin
,, ,, Two anna	.. 90	,,	{0·88″ ,, Flats {1·00″ ,, Corners	,,	Square Coin with round corners
,, ,, Two anna (George V)	.. 90	,,	{0·827″ ,, Flats {1·000″ ,, Corners	,,	Square Coin with round corners
,, ,, One anna	.. 60	,,	{0·827″ Maximum {0·7795″ Minimum	,,	Scalloped Coin
,, ,, Half anna	.. 45	,,	{0·778″ Across Diagonal {0·684″ ,, Sides	,,	Square coin with round corners
Nickel-Brass Two anna	.. 90	79 per cent Copper, 1 per cent Nickel and 20 per cent Zinc	{Same as Cupro Nickel Coins above	,,	{Same as Cupro-Nickel Coins above
,, ,, One anna	.. 60	,,			
,, ,, Half anna	.. 45	,,			
Copper Single Pice	.. 100	100 per cent Copper	1·00″ Round Coin	,,	
,, Half Pice	.. 50	,,	0·84″ ,,	,,	
,, Pie Pieces	.. 33·3	,,	0·68″ ,,	,,	
Bronze* Single Pice	.. 75	97 per cent Copper, 2½ per cent Zinc and ½ per cent Tin	1·00″ ,,	,,	
,, ,, ,,	.. 30	,,	0·84″ ,,	(with a circular hole)	
,, ,, ,,	.. 60	,,	0·84″ ,,	Plain	
,, ,, ,,	.. 45	,,	0·84″ ,,	,,	
,, Half Pice	.. 37·5	,,	0·84″ ,,	,,	
,, Pie Pieces	.. 25	,,	0·68″ ,,	,,	

* The alloy for bronze coin had to be changed during the period of war due to the scarcity of tin. The proportion of this alloy upto February 1936 was 95 per cent copper, 4 per cent tin and 1 per cent zinc ; from February 1936 to end of 1942, it was 95·5 per cent copper, 3 per cent tin and 1·5 per cent zinc ; from 1943 to date, it is in the proportion of copper 97 per cent, tin 0·5 per cent and zinc 2·5 per cent.

STATEMENT 94

Withdrawal of Silver, Cupro-Nickel and Copper Coins, 1954-55

	Rs.	a.	p.
I. Uncurrent Coin			
Silver Rupees†			
Standard Silver Rupees	641	0	0
Defective Quaternary Rupees	11,669	0	0
Other uncurrent coin (shroff marked, soldered, etc.)	4,900	0	0
Total Silver Coin	**17,210**	**0**	**0**
Cupro-nickel* eight anna	30,657	8	0
Copper Double Pice	612	4	0
Total of Uncurrent Coin	**48,479**	**12**	**0**
II. Badly worn and defaced Coins			
Nickel and Nickel-Alloy Coins			
Nickel Rupees	1,11,550	0	0
Cupro-nickel* -/4/- pieces	3,68,904	12	0
Cupro-nickel‡ -/2/- ,, ...	48,23,254	2	0
Curpro-nickel ‡ -/1/- ,, ...	46,59,063	7	0
Cupro-nickel‡ -/½/- ,, ...	8,70,402	11	6
Copper and Bronze Coins			
Single Pice	8,36,317	13	0
Half Pice	421	11	5
Pie Pieces	264	12	10
Total of Badly worn and defaced Coins	**116,70,179**	**5**	**9**

† Provisional. * Including worn-out pure nickel coins. ‡ Including nickel-brass coins.

STATEMENT 95

Number of Counterfeit Coins Cut at Treasuries and Railway Stations

	1950-51	1951-52	1952-53	1953-54	1954-55
Silver Coins					
Rupees	9,200	12,176	9,658	8,575	6,826
Half Rupees	8,252	7,248	6,279	7,620	4,907
Quarter Rupees	13,642	9,615	8,382	9,540	5,628
Eighth Rupees	4	16	18	15	2
Total	**31,098**	**29,055**	**24,337**	**25,750**	**17,363**
Nickel Coins					
Rupees	4,429	6,317	4,841	5,535	3,340
Half Rupees	12,886	8,686	8,103	8,784	6,559
Quarter Rupees	23,073	13,956	12,942	10,482	7,609
Two Annas	1,70,327	1,29,644	1,56,190	1,12,915	94,923
One Anna	23,820	13,420	22,126	18,794	8,747
Half Anna	1,771	967	2,000	1,175	2,071
Total	**2,36,306**	**1,72,990**	**2,06,202**	**1,57,685**	**1,23,249**

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